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TODAY: HEALTH SCIENCE Diet and the Heart, Page 10

Deng Xiaoping, Who Transformed China, Dies

Death of Paramount Leader Certain to Touch Off Succession Struggle

Reuters

Mr. Deng: Economic pragmatist, political hard-liner.

Washington Post Service

Deng Xiaoping, China's paramount leader who led his people out of the trauma, chaos and isolation of the Mao years into a period of unprecedented economic growth, died late Wednesday, the Chinese press agency Xinhua reported. He was 92.

Mr. Deng suffered from the advanced stage of Parkinson's disease, complicated by lung infections, and died from respiratory failure after emergency treatment, Xinhua said. It said that Deng died at 9:08 P.M. and that an announcement was issued to all Communist Party, government and military offices.

Four armed guards stood outside the alley to Mr. Deng's home in Beijing, near the palace China's emperors used for 500 years. But there were no other signs of troop movements in the capital.

Xinhua said the funeral committee had already been selected, with President Jiang Zemin as its chairman.

The formation of the funeral committee is tremendously significant in China's secretive political system, since its composition can identify the leader who will succeed to the supreme power he held until his death.

All members of the 18-man Politburo were on the committee, as were two other veterans of China's communist revolution, former President Yang Shangkun, 89, and the former parliament chairman, Peng Zhen, 95, both close colleagues of Mr. Deng and contenders for the mantle of behind-the-scenes kingmaker.

No date was given for the funeral and Xinhua did not specify if Mr. Deng would be buried or cremated. No foreign dignitaries will be invited to the funeral, in line with national practice, the funeral committee announced.

Mr. Deng was last seen in public three years ago. His death is expected to sharpen political maneuvering for power that has been intensifying behind the scenes as Mr. Deng's health has waned.

Mr. Deng's third hand-picked successor, Jiang Zemin, re-elected as Communist Party chief at the 13th party congress in 1992 that elevated Mr. Deng's capitalist market economic theories to communist gospel, will take over a system in which Mr. Deng has failed to set in place mechanisms for a transfer of power.

But he leaves his heir to almost certain factional warfare. Mr. Jiang's two predecessors, Zhao Ziyang and Hu Yaobang, were both toppled by hard-liners after outbreaks of unrest. Mr. Zhao was purged in 1989, days after troops moved into Tiananmen Square to crush student protesters, and two years after Deng's first protégé, Mr. Hu, lost his position in a similar power struggle.

Crucial to the Deng succession is the lack of an identifiable heir with the clout and charisma to seize control of the world's fastest-growing economy and govern a population that makes up one-fifth of humanity.

Now that Mr. Deng has "gone to meet Marx," as Mao said, China faces the prospect of collective leadership by a group of people steeped in the tradition of Communist autocracy.

Mr. Jiang, 70, holds the posts of president, Communist Party secretary general and chairman of the powerful Central Military Commission. But Mr. Jiang is widely seen as a temporary figurehead, a dour and uninspiring figure who lacks the personality and power base to retain his position in the event of an all-out leadership struggle.

"Jiang has managed to push his role as senior statesman recently and has been making noticeable efforts to woo the military, but he is not seen as a decision-maker and probably realizes he is something of a compromise figure," said a Western diplomat.

Waiting in the wings are Mr. Jiang's chief rivals — Prime Minister Li Peng and the country's economic czar, Deputy Prime Minister Zhu Rongji.

Li Peng, 66, enjoys the strong backing of conservative party elders but, as the leader most widely associated with crushing of the 1989 Tiananmen Square uprising, he is unpopular.

Meanwhile, Mr. Zhu, 66, has enjoyed a stellar rise through the party ranks, but his power base is limited and his star inextricably attached to the success or failure of economic reforms.

Regardless of which man rises to supreme power, no successor can expect to approach Mr. Deng in standing and authority.

But Mr. Deng's own power never matched that of his longtime comrade, Mao Zedong, and his prestige declined in his later years because of corruption, inequalities in the Communist system, and the deadly crackdown in June 1989 against student protesters around Beijing's Tiananmen Square.

To crush the uprising, Mr. Deng had to ally himself with rival leaders who questioned the scope, pace and side effects of his reforms and who feared that he would destroy the centrally planned economy.

The army crackdown, which left hundreds dead, was followed by infighting among leaders over Mr. Deng's moves to decentralize the economy and introduce market forces.

Although he formally retired from his last government post in 1990, Mr. Deng continued to influence important domestic and foreign policy decisions.

As a pragmatist in economics, Mr. Deng

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Mexico Dismisses Chief Of Its Drug Program

General Charged With Abetting Trafficking

By Julia Preston
New York Times Service

GUADALAJARA, Mexico — The army general who headed Mexico's national drug agency has been dismissed from the armed forces and arrested on charges that he collaborated with one of Mexico's most notorious drug barons, Defense Minister Enrique Cervantes Aguirre announced.

General Jesus Gutierrez Rebollo, who was chosen by President Ernesto Zedillo to take over the drug program only two months ago, was detained on charges of abetting cocaine trafficking, said the attorney general, Jorge Madrazo Cuellar.

[General Gutierrez was in a military hospital recovering from an apparent heart attack suffered when authorities confronted him with the evidence against him, The Associated Press reported.]

"We have a well-founded presumption that the general and personnel under his command have been and are collaborators of the criminal organization headed by Amado Carrillo Fuentes," the defense minister said, referring to a drug trafficker who is believed to lead the most powerful and wealthy of Mexico's drug rings.

Speaking at an unusual and crowded news conference at the Defense Ministry in Mexico City late Tuesday, Mr. Cervantes said that General Gutierrez, an officer with a 42-year military career, had "cheated his superiors" and "acted against the national security of Mexico."

The stunning announcement was a clear sign that the leaders of Mexico's drug rings have penetrated the highest ranks of Mexico's anti-narcotics institutions.

The charges against General Gutierrez also raise central questions about the information that U.S. officials have about Mexico's drug program.

The White House drug policy director, General Barry McCaffrey, went out of his way to lavish praise on General Gutierrez when he was appointed to head the National Institute to Combat Drugs, calling him "a guy of absolute unquestioned integrity."

General Gutierrez's dismissal throws Mexico's anti-narcotics campaign into turmoil only days before President Bill Clinton must report to Congress on whether Mexico will be certified as a cooperative partner in fighting drug trafficking. The report is due by March 1.

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Reuters

General Jesus Gutierrez Rebollo, who was Mexico's highest ranking anti-drug official, remained hospitalized after suffering a heart attack Feb. 6.

Stasi Agents on Trial Over Terrorist Links

Case May Reveal East's Secrets

By William Drozdiak
Washington Post Service

BERLIN — In a case involving one of the best-kept secrets of the Cold War, four former East German intelligence officers went on trial Wednesday on charges of helping some of the West's most wanted terrorists change their identities and start new lives in the Communist state.

The sensational trial is expected to shed new light on the extent to which Communist states in the old Soviet empire supported international terrorism, even as they insisted to Western governments that they had nothing to do with assisting anti-capitalist groups such as the Red Army Faction.

The accused include Harry Dahl, 67, the former head of counterterrorism in the Ministry for State Security, or Stasi, that maintained such tight surveillance that East Germany's 16 million citizens were considered the most spied-upon people in history.

Mr. Dahl is being tried with three senior security officers, Guenter Jackel, 62; Hans Petzold, 53, and Gerd Zaumseil, 48, on charges of preventing 10 Red Army Faction members from being brought to justice for a campaign of murders and kidnappings against West Germany in the late 1970s.

The chief state prosecutor said that Mr. Dahl and his associates provided false identities, financial support, jobs and apartments to help them assimilate into East German society. Although former citizens of East Germany are usually punished for misdeeds under the law of the defunct state, the prosecutor has argued that Mr. Dahl and his men should be treated differently because their actions had a profound impact on blocking justice in West Germany.

In response, Mr. Dahl told the court that the terrorists were sheltered on orders from the highest authorities, including the Stasi boss, Erich Mielke, and East Germany's head of state, Erich Honecker. He also claimed that such protections served a useful purpose in thwarting further terrorist incidents.

"The RAF members asked to be taken in. We did not approve of their deeds, but their anti-capitalist positions were close to ours," Mr. Dahl said. "And we wanted to prevent a terrorist scene from developing in East Germany."

Mr. Dahl insisted that he and his officers inflicted no political or security

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Wall Street Wonders: How High Is Too High?

By Tom Petruno
Los Angeles Times

Like a rich but crazy relative, the U.S. stock market is something that people are not quite sure how to talk about these days.

On one hand, it seems wrong to speak ill of it, because so many Americans are hoping to eventually cash in on its largesse.

On the other hand, the market's actions seem so outlandish — as it continually scales new heights — as to be bordering on frightening, making it difficult to just look askance.

The Dow Jones industrial average's hurdling of the 7,000 mark last week was another reminder of how spectacular this six-year-old bull market has been, and how its intensity appears to be building rather than ebbing.

But with each new high in the Dow, Wall Street has become preoccupied with a debate that is at once esoteric and yet enormously consequential for millions of small investors: Have stock prices reached absurd levels that could invite a ruinous, long-lasting decline? Or is there something fundamentally different about the economy today, and the market, that makes stocks inherently more valuable than at any time in history?

The questions are more than academic, of course, because the burgeoning popularity of automatic retirement investment programs, such as corporate 401(k) plans, means that the future financial health of many American families depends more than ever before on what happens to stock prices over time.

Yet that aspect of the 1990s bull market also adds an ironic twist to the "how-high-is-too-high-for-stocks" debate: Many Wall Street pros who believe that share prices are reaching excessive levels blame the very public that is being constantly exhorted to save and invest more, and not worry about the market's short-term trends.

Certainly, the short-term trend has become tough to ignore. Of the nearly 200 percent rise in the Dow since October 1990, nearly half of the advance has occurred just in the last two years. By one key measure, the market value of U.S. stocks now stands at $7.7 trillion, which means U.S. shareholders have seen their stock wealth balloon by $1.6 trillion in the last year alone.

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AGENDA

Truckers End Strike in Spain

MADRID (Reuters) — Truckers in Spain said Wednesday that they were calling off a strike that had gone on for two weeks after a meeting with government officials.

"It's been decided not to continue with the current work stoppage because of the economic consequences," said Jose Maria Arambarri, a spokesman for the truckers' organization leading the strike. "There's been no type of deal."

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Joe Marquette/The Associated Press

Senator John Glenn is expected to announce that he will not seek a fifth term. Page 3.

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The Dollar		
New York	Wednesday @ 4 P.M.	previous close
DM	1.6981	1.685
Pound	1.6153	1.6081
Yen	124.425	123.895
FF	5.734	5.6895

The Dow		
change	Wednesday close	previous close
-47.33	7020.13	7067.46

S&P 500		
change	Wednesday @ 4 P.M.	previous close
-3.82	812.47	816.29

Euro Might Split Europe, Rifkind Warns in Bonn

Compiled by Our Staff From Dispatches

BONN — Foreign Secretary Malcolm Rifkind of Britain said Wednesday that Chancellor Helmut Kohl of Germany was wrong on European integration and warned that the planned single currency might divide Europe for decades.

"We would be embarking on a divided Europe for a whole generation," Mr. Rifkind said. "As we say in Britain, the single currency is not just for Christmas. It is forever."

In a speech here to a political foundation, Mr. Rifkind said he thought it "unlikely" that Britain would want to join the single currency in 1999, but said the country would not make a final decision for some time. His comments received a cool reception from German politicians, journalists and bureaucrats, many of whom roared with laughter when he said Britain was the least nationalist of all members of the European Union.

Mr. Rifkind said he did not agree with Mr. Kohl that further integration of the European Union was an issue of war and peace. "I don't myself believe his analysis is correct," he said. "The new Europe is not the Europe of the 19th century."

Mr. Rifkind also warned against going ahead with one of Mr. Kohl's pet projects, economic and monetary union, with only a few participants.

Mr. Rifkind sent shock waves through his own Conservative Party when he said in an earlier BBC radio interview that, "on balance," Prime Minister John Major's government was hostile to a single currency. The remark ruptured a carefully brokered cabinet agreement of studied neutrality on the

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Michael Urban/Reuters

British Foreign Secretary Malcolm Rifkind in Bonn on Wednesday.

Newsstand Prices			
Bahrain	1.000 Din	Malta	.55 c.
Cyprus	C. £ 1.00	Nigeria	125.00 Naira
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Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	EE 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zim.$30.00

China Relents on Touchy News

It Reports Week-Old Defection as North Korea Softens

Compiled by Our Staff From Dispatches

BEIJING — In the first mention in its domestic media of the Cold War drama unfolding in its capital, China indicated Wednesday that Hwang Jang Yop, a senior aide to North Korea's top leader, Kim Jong Il, had willingly sought refuge in Seoul's consular compound.

The official Xinhua press agency, citing Foreign Ministry sources, said Wednesday that Mr. Hwang had spent the night of Feb. 11 in the North Korean Embassy in Beijing, while en route to Pyongyang after a trip to Japan.

"He left there in the morning of the following day and ran away into the embassy of South Korea in Beijing," Xinhua said in a report broadcast on state radio.

Pyongyang, which previously maintained that Mr. Hwang, 74, had been kidnapped, has suggested that it may be ready to give up attempts to win back the man ranked 24th in the North's hierarchy and the designer of its governing ideology of *juche*, or self-reliance.

Tight security has surrounded Mr. Hwang since he walked into the South Korean Embassy in Beijing a week ago and requested asylum. It was the highest-level defection from the isolationist, Stalinist regime.

"It is hoped that the relevant parties will, with a calm and objective attitude, judge the nature of this incident and work to seek a proper solution to it," Xinhua said.

Mr. Hwang remained stranded in Seoul's heavily guarded consular compound after talks between South Korean and Chinese officials failed to resolve his fate.

"Unfortunately, we have not made any real progress in our talks with China," said Lee Kyu Hyung, a South Korean Foreign Ministry spokesman.

Speaking with reporters in Seoul, Ryu Kwang Suk, chief of the South Korean Foreign Ministry's Asia-Pacific Bureau, said that it appeared that China had not yet decided if it could let Mr. Hwang leave for South Korea.

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'Multiple Visit Program' / **A Chance to Enrich Teaching**

Museums Try Cultivating the Young at Art

By Carol Vogel
New York Times Service

Nineteen pairs of sixth-grade eyes were riveted to the floor of the East Building at the National Gallery of Art in Washington. While some of the children simply stared down at their feet, a bit uncertain, others got on their knees and began copying the floor's triangular patterns for a math lesson on isosceles triangles and parallelograms. That done, the children, very much at home, moved from one part of the museum to another, chatting with the gallery's team of educators and docents like old friends.

Unlike the one-day museum field trips that schools have subscribed to for decades, this one involved children who had spent two years using the National Gallery as one of their classrooms. In addition, the museum's staff has regularly visited them at school.

Across the United States, museums in small towns and big cities alike have begun reaching out to local schools as a way to build future followings, and are getting private financing to do so. Many museum officials say the same corporations that have significantly reduced their sponsorship of art exhibitions are eager to underwrite education programs.

And for schools, dealing with severe budget cuts that in many cases have meant eliminating art and music from their curriculums, the chance to form close ties with local museums, in what educators and museum officials call a "multiple visit program," amounts to a chance to enrich teaching.

"It's the most exciting and least-known program happening in education right now," said Diane Frankel, director of the Institute of Museum and Library Services, a federal agency that helps finance libraries and museums. "The time for this sort of teaching is right. As schools are assessing different ways kids can best learn, and museums are taking their educational roles more seriously, the two have come to an interesting meeting point."

So interesting that, in 1994, the federal government scattered seed money to encourage such programs, providing 50 institutions one-year matching grants of up to $40,000 each. The grants went to a variety of institutions ranging from the Mint Museum in Charlotte, North Carolina, to the Museum of Modern Art in New York.

Besides their potential for bolstering a museum's future paying attendance — and therefore the bottom line — through a lifetime of interest among those for whom adulthood is now only on the horizon, multiple-visit programs can enable students to grasp concepts in a more integrated fashion than the teaching of isolated subjects allows, particularly given the explosion in cyberspace learning.

"As we move into the new century, more information we receive is visual," said Leilani Lattin Duke, director of the Getty Education Institute for the Arts in Los Angeles. "And we need to educate students to decode and unwrap these images."

The children who visited the National Gallery on a recent afternoon were from the Thomson School, a high-achieving public school of predominantly Hispanic and African-American students in downtown Washington. Thomson is a participant in one multiple-visit effort, the National Gallery's Art Around the Corner program.

Standing among the works of Alexander Calder, Robert Rauschenberg and Gerhard Richter, the children talked about symbols relating to what they had seen at the Gallery's "Olmec Art of Ancient Mexico" exhibition. They also talked of architecture, discussing what I.M. Pei created when he designed the Gallery's East Building.

And they were asked to talk about themselves by taking the concept of a symbol and relating it to their own lives. Each child was given the outline of a vase on a piece of white paper and was told to decorate it with personal symbols.

Several weeks later, three of the Gallery's staff educators and 10 volunteer docents piled into a van and went to the Thomson School for a follow-up visit. They were met there by several children wearing maroon T-shirts and matching berets that bore the acronym Swart (Students Working Artists Readiness Team). These pupils, artistically gifted fifth and sixth-graders, escorted the Gallery's docents and educators to their respective home rooms.

In one class, the children took turns describing the symbols they had drawn at the Gallery. Vaughn Willis had filled in his vase with solid blocks of different shades. "The colors represent the moods in my life," he said, "Good times and bad times." His classmate Tien Le, a Vietnamese immigrant, had drawn colorful images of dragons and mountains. "I saw the dragons on TV," he said. "And when I flew to America from Vietnam, I saw mountains."

Linda Downs, head of the National Gallery's education programs, said Art Around the Corner was the idea of two African-American interns at the museum. "The Gallery sent a formal letter to 12 schools in the immediate neighborhood," she said, "and we got three responses."

Art Around the Corner has since grown steadily. "We originally had 60 students and two classes," Ms. Downs said. "Now we have nearly 290 students," from four schools.

Robert Bracy, who has been the principal of the Thomson School for 15 years, believes in the importance of art. "These children look forward to their visits to the Gallery," Mr. Bracy said. "It allows them to express themselves in different ways. Some children don't do well in the classroom, but when they get outside of school they're totally different. I've seen their self-esteem go sky-high."

While museums are eager to keep expanding their reach to the public schools, they sometimes find that cooperation of principals and teachers is lacking.

"The biggest problem is that most teachers got little in the way of art education," said Ms. Duke, of the Getty Education Institute for the Arts. "It's astounding, but we find many teachers are intimidated by museums."

Amy Toensing/The New York Times

A guide in the East Wing of the National Gallery of Art in Washington discussing the geometry of the building with students from the Thomson School, which specializes in high achievers.

Louvre Opens Wings to Youths

By Barry James
International Herald Tribune

PARIS — Like many art museums in Europe the Louvre here actively tries to interest young people from kindergarten to university age in its collections and varied cultural offerings.

"We do it in a spirit of public service," said Jean Galard, chief of the museum's cultural service. "The museum is paid for by taxpayers, and we reason that it should not be reserved to its traditional habituees."

Besides, Mr. Galard said, he and other museum staff can learn a lot by bringing in young people from a variety of different backgrounds, including those from some of the city's tough neighborhoods where art is more likely to mean graffiti than Ganguin.

The museum's outreach program, in effect since 1988, seems to be paying off. Last year, more than one million children, adolescents and young adults visited the Louvre out of a total of 5 million patrons. That figure is remarkable considering that most of the young people were French while 65 percent of the total visitors were foreigners.

With the ongoing program to expand the Louvre, there was a proposal to build a special museum for young people, Mr. Galard said. But that idea was quickly discarded in favor of the present program that helps children and young adults see the Louvre's main collections with the help of special lectures, pedagogical materials and a staff trained to deal with young visitors.

The museum has, however, set aside an area for students and their teachers where all can learn not only about paintings and art history but about various artistic techniques.

The museum has sold more than 20,000 young people's season tickets since introducing them in 1995, giving unlimited access for a year at a cost of 100 francs. There is no single-entry charge to the museum for visitors under the age of 18.

Mailings are often sent out to the youths with information about forthcoming attractions. Mr. Galard said the number of young visitors was noticeably increasing as a result.

While the museum has long had programs to introduce school children to art, Mr. Galard said, the Louvre had paid particular attention to reaching university students. Unless they were studying subjects closely related to art or art history, they tended to abandon museum-going in favor of movies and popular music. But if they can be persuaded to visit a few times, he said, they frequently become loyal supporters of the museum.

Fighter Pilot Knew 727 Was Passenger Aircraft

Air Force Defends F-16's Close Flyby

By Matthew L. Wald
New York Times Service

WASHINGTON — The pilot of an F-16 fighter jet that came too close to a commercial airliner off the New Jersey coast two weeks ago had actually identified it as a passenger jet miles in advance, but continued to chase the Boeing 727 as an intruder into his closed military airspace, U.S. Air Force officials said.

At one point, the pilot, who was instructing a trainee, told the trainee to stay out of the way "till this, uh, bozo gets out of the airspace," according to a transcript of conversations made public by the air force Tuesday.

The fighter came within 1,000 feet horizontally and 400 feet vertically of the civilian plane, setting off an anti-collision system in the big jet's cockpit and pushing it into evasive maneuvers that threw three people to the floor.

The chairman of the National Transportation Safety Board, which is investigating the incident, said at a separate briefing that the close encounter on Feb. 5 between the F-16 from the Air National Guard in Atlantic City, New Jersey, and a Nations Air plane carrying about 80 people was the most serious of four encounters that week.

"Thankfully, there were no reported injuries in this incident, but the potential for very unfortunate results was clearly there," said the chairman, James Hall.

U.S. Air Force officials had said immediately after the incident that the pilot flew close to the jetliner to identify it and perhaps to determine whether it was in distress. On Tuesday, officials said that while the military pilot already knew he was dealing with a 727, he may have been trying to get close enough to read the tail number so he could report what he saw as a traffic violation of airspace that was closed to civilian aircraft.

Major General Donald Peterson, the assistant deputy chief of staff for the air force, said the pilot might have wanted to make sure that the other plane left. General Peterson stressed that the pilot, who has not been identified, broke no rules.

He was eventually ordered to break off the chase by a navy air traffic controller, but the command may have been delayed because the fighter pilot was on the wrong frequency, the air force said.

Civilian investigators said that the two F-16s were turned loose to conduct tactical exercises in the area but were not advised to stay away from two civilian planes, the 727 and a DC-8, that were moving through the area. Under agreements between the Federal Aviation Administration and the navy, which coordinates the military drills, the civilian planes should have been allowed to complete their trip without interference.

Lieutenant Colonel John Dwyer, a spokesman for the New Jersey Air National Guard, agreed that the F-16 pilot knew throughout the incident that the 727 was a civilian jetliner. But he said the pilot had to close to within 1,000 feet of the jet to "ascertain his intentions and assure he cleared the training area."

"This pilot didn't know what the jet was doing there in a closed military area," Colonel Dwyer said. "He was assuring the box was clear before he started maneuvers." Colonel Dwyer said the F-16 pilot's calling the 727 a bozo was not derogatory. "It's probably kinder than I'd be," he said. "He's up there and all of a sudden there's this unidentified blip on his radar."

General Peterson said that as a result of the incident, fighters would now be required to try first to identify aircraft they perceived as intruders by checking with air traffic controllers. Only if that failed would they intercept the planes, he said.

He also said that all air force pilots would get training in the operation of the anti-collision systems on civilian planes.

The chairman of the safety board said that neither the Feb. 5 episode, which involved a Nations Air flight from San Juan, Puerto Rico, to Kennedy International Airport, nor three other recent episodes of F-16s coming too close to civilian jets posed a real threat of midair collision.

But in their first public comments on that encounter, safety board officials suggested that the problem was the information given to the pilots of the two F-16s from the Air National Guard base by a navy air traffic controller in Virginia Beach, Virginia.

Israel to Build Settlement in East Jerusalem

Reuters

JERUSALEM — Prime Minister Benjamin Netanyahu pledged on Wednesday to build a new Jewish neighborhood in Arab East Jerusalem over Palestinian objections, his spokesman said.

Mr. Netanyahu went to Parliament for talks with opposition and government lawmakers on the plan to construct 6,500 homes at Jabal Abu Ghneim or Har Homa, a hill of pine trees between Jerusalem and Bethlehem that was captured by Israel in 1967.

Rightist coalition partners and several members of the main opposition Labor Party have been pressing Mr. Netanyahu to give the green light for the construction.

"The prime minister told Parliament members he intends to build in all parts of Jerusalem including in the Har Homa neighborhood," a spokesman for Mr. Netanyahu said. "The decision on a date will be made at the meeting of the ministerial committee on Jerusalem next week."

Mr. Netanyahu also told lawmakers that the possibility of building Arab homes in part of Har Homa was "under examination," the spokesman said.

The Palestinian Authority of Yasser Arafat wants Arab East Jerusalem, captured by Israel along with the rest of the West Bank in 1967, to be the capital of a future Palestinian state and has called Israeli housing projects an attempt to cement the Jewish state's hold over all of the city. Israel views all of Jerusalem as its capital.

Faisal Husseini, the Palestinian official responsible for Jerusalem, said that Mr. Netanyahu's approval of the Har Homa plan would be viewed as a "decision of war."

■ **New West Bank Settlement**

Israeli developers have begun building a new settlement in the West Bank despite government statements that no new Jewish communities were being created in the occupied Palestinian areas, Agence France Presse quoted local Israeli officials as saying.

Fifty homes have been built so far at Kfar Oranim, near the "green line" marking the separation between Israel and the occupied Palestinian territory, the local officials said.

They said that plans called for a luxury residential community of 600 homes at the site.

Egypt Frees 17 After Cult Raids

The Associated Press

CAIRO — The government freed 17 students on bail Wednesday who were accused of indecency and scorning religion as part of a ring of reputed devil worshipers that shocked Egypt.

Those freed were among 76 students picked up by the police Jan. 22 from their homes in raids that followed a series of parties in the desert and in Cairo hotels.

The police said that rituals had been held at the parties to worship Satan, and that sex, drugs and heavy metal music were common.

TRAVEL UPDATE

Hong Kong Opens First Link Of Corridor to New Airport

HONG KONG — Hong Kong's chief secretary, Anson Chan, officially opened on Wednesday the first section of the expressway network system to the territory's new airport. The 34-kilometer (21-mile) transport corridor will link Chek Lap Kok Airport and adjoining Tung Chung new town to Hong Kong island.

Chek Lap Kok Airport, built on reclaimed land on Lantau island, will open in April next year after Hong Kong reverts to China on July 1. It will be linked to Hong Kong island and Kowloon by tunnels, bridges and highways.

A rail link will also be built from the Central district to the airport, which will take over flights from the saturated one-runway Kai Tak Airport on Kowloon. *(AFP)*

Olympic Airways is to sign a code-sharing agreement with TWA this month that provides for joint reservations and coordinated schedules, the Greek national carrier said Wednesday in Athens. The accord is to go into force after TWA suspends its flights to Athens in April. Olympic said it was working on similar alliances. *(AP)*

A stoppage by French bus drivers gripped several provincial cities Wednesday for the 14th successive day in their challenge to the government of Prime Minister Alain Juppe over shorter working hours and earlier retirement. *(Reuters)*

Indonesia will ban smoking on all domestic flights of under two hours as of June 1, in line with international standards, the Antara news agency said. *(AFP)*

Ground staff workers at SAS issued a strike warning Tuesday for March 7 over the collapse of wage talks with the airline on Feb. 6. The issue now goes to the Danish government's conciliation board *(Bloomberg)*

Cousteau Is Hospitalized For Undisclosed Ailment

Agence France-Presse

PARIS — The French oceanographer Jacques-Yves Cousteau, 86, has been in the hospital here for the past two weeks, sources said Wednesday.

The sources did not say what was wrong with Mr. Cousteau, the celebrated captain of the Calypso, but said he was "fully conscious" and that his doctors had decided to make no statement for the time being.

Mr. Cousteau, one of the most popular men in France, is famous the world over for his books and documentary films.

A member of the French Academy, Mr. Cousteau is a ardent defender of the environment. He had studied ecological and overpopulation problems within the Council for the Rights of Future Generations, set up by the French government in 1993.

Mr. Cousteau resigned from that body in September 1995 in protest against President Jacques Chirac's decision to resume nuclear testing in the South Pacific.

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Andorra							
Pas de la Casa	120	170	Good	Hard	Pckd	15/2	*all 29 lifts open, mostly good*
Soldeu	40	180	Good	Hard	Pckd	15/2	*all 21 lifts open, some hard patches*
Austria							
Ischgl	50	160	Good	Open	Pwdr	19/2	*all 41 lifts open, excellent conditions*
Kitzbuhel	25	85	Good	Open	Pwdr	19/2	*best conditions the season*
Lech	110	180	Good	Open	Pwdr	18/2	*all 34 lifts open, fabulous skiing*
Obergurgl	80	170	Good	Open	Pwdr	19/2	*all 22 lifts open, superb skiing*
Saalbach	30	60	Good	Open	Pckd	18/2	*all lifts open, more snow forecast*
St. Anton	80	280	Good	Open	Pwdr	19/2	*all 32 lifts open, excellent snow*
Canada							
Lake Louise	135	185	Good	Open	Pckd	18/2	*all 12 lifts open, great skiing*
Whistler	70	240	Good	Open	Pckd	18/2	*22/26 lifts and all trails open*
France							
Alpe d'Huez	120	260	Good	Open	Pwdr	18/2	*76/83 lifts open, superb skiing*
Les Arcs	90	185	Good	Open	Pwdr	18/2	*73/77 lifts open, excellent conditions*
Avoriaz	165	185	Good	Open	Pwdr	18/2	*all lifts open, great skiing*
Chamonix	35	255	Good	Some	Pwdr	18/2	*46/49 lifts open, excellent skiing*
Courchevel	135	185	Good	Open	Pwdr	18/2	*all 68 lifts open, superb skiing*
Les Deux Alpes	70	280	Good	Open	Pwdr	18/2	*all 83 lifts open, generally excellent*
Megeve	20	180	Good	Open	Pckd	18/2	*most lifts open, plenty of good snow*
Meribel	50	185	Good	Open	Pwdr	18/2	*fully open, excellent skiing*
La Plagne	150	205	Good	Open	Pwdr	18/2	*108/111 lifts open, perfect conditions*
Serre Chevalier	95	325	Good	Open	Pckd	14/2	*all 73 lifts open, excellentskiing*
Tignes	160	225	Good	Open	Pwdr	18/2	*g. skiing despite on powdery snow*
Val d'Isère	130	230	Good	Open	Pwdr	18/2	*83/100 lifts open, excellent cond.*
Val Thorens	140	230	Good	Open	Pwdr	18/2	*24/25 lifts open, superb skiing*
Germany							
Berchtesgaden	10	50	Good	Closed	Pckd	15/2	*15/31 lifts open, good cn*
Oberstdorf	20	140	Good	Open	Pwdr	19/2	*25/26 lifts open, excellent skiing*

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Italy							
Bormio	30	195	Good	Open	Pckd	14/2	*14/16 lifts open, plenty of g. skiing*
Cervinia	90	350	Good	Open	crusty	18/2	*all 25 lifts open, grasslking*
Cortina	20	90	Good	Icy	Pckd	13/2	*all 51 lifts open, most runsGood*
Courmayeur	45	180	Good	n/a	Pckd	18/2	*19/22 lifts open, good*
Livigno	95	190	Good	Open	Pckd	14/2	*all 31 lifts open, excellent skiing*
Madesimo	80	370	Good	Open	Pckd	14/2	*16/17 lifts open, very good overall*
Selva	25	95	Good	Open	Pckd	18/2	*all 81 lifts and sella ronda open*
Norway							
Geilo	60	60	Good	Open	Pwdr	18/2	*all 18 lifts open, great skiing*
Switzerland							
Crans Montana	35	300	Good	Open	Pwdr	18/2	*35/41 lifts open, excellent skiing*
Davos	75	185	Good	Open	Pwdr	19/2	*all 55 lifts open, superb skiing*
Klosters	35	185	Good	Open	Pwdr	19/2	*all 55 lifts open, superb Pwdr*
Murren	60	180	Good	Open	Pwdr	19/2	*8/12 lifts open, excellent conditions*
Saas Fee	100	350	Good	Open	Pwdr	18/2	*23/26 lifts open, perfect conditions*
St. Moritz	45	180	Good	Open	Pckd	15/2	*all lifts open, very good skiing*
Verbier	50	220	Good	Open	Pwdr	18/2	*70/74 lifts open, excellent skiing*
Wengen	10	110	Good	Open	Pwdr	19/2	*all 20 lifts open, nearly all runs great*
Zermatt	60	350	Good	Open	Var	18/2	*72/73 lifts open, generally excellent*
U.S.							
Aspen	170	175	Good	Open	Pckd	18/2	*fully open, more snow expected*
Breckenridge	150	210	Good	Open	Pckd	18/2	*17 lifts and 138 trails open*
Crested Butte	175	210	Good	Open	Pckd	18/2	*all 13 lifts, some fresh powder*
Mammoth	330	450	Good	Open	Pckd	17/2	*22/30 lifts open, excellent skiing*
Park City	185	220	Good	Open	Pwdr	18/2	*all 14 lifts and 89 trails open*
Vail	190	215	Good	Open	Pwdr	19/2	*29 lifts and 4644 acres open*
Winter Park	180	190	Good	Open	Pckd	13/2	*all 20 lifts and 121/121 trails open*

Key: L, U: Depth in cm on lower and upper slopes. Mtn. Pistes Mountainside pistes. Res. Pistes Runs leading to resort village. Art. Artificial snow.

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WEATHER

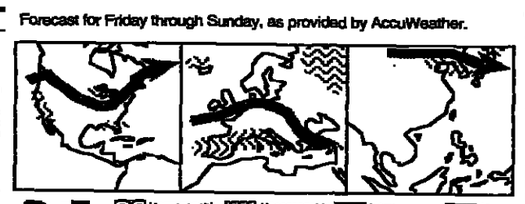
Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	21/70	12/53 pc	19/66	12/53 c
Amsterdam	8/46	6/43 sh	9/48	7/44 sh
Ankara	4/39	-1/31 c	2/36	-5/24 i
Athens	9/48	3/37 c	9/48	2/35 pc
Barcelona	18/61	8/46 pc	14/57	8/46 pc
Belgrade	3/37	-4/25 sn	3/37	-1/31 sn
Berlin	6/43	2/35 pc	6/43	4/39 s
Brussels	8/46	6/43 sh	9/48	6/43 c
Budapest	1/34	-3/27 sn	3/37	2/35 c
Copenhagen	4/39	1/34 sh	7/44	3/37 sh
Costa Del Sol	22/71	12/53 s	22/71	12/53 pc
Dublin	11/52	9/48 sh	12/53	8/46 sh
Edinburgh	7/44	7/44 r	10/50	6/46 sh
Florence	14/57	2/35 s	13/55	4/39 s
Frankfurt	4/39	1/34 sh	6/43	3/37 sh
Gibraltar	6/43	-3/29 c	8/46	5/41 pc
Helsinki	-3/27	-6/22 sn	-3/27	-4/25 sn
Istanbul	5/41	1/34 sh	5/41	3/37 pc
Las Palmas	24/75	19/66 pc	24/75	18/64 pc
Lisbon	18/64	11/52 pc	17/63	11/52 c
London	11/52	4/39 sh	13/55	7/44 s
Madrid	19/64	6/43 s	21/70	9/48 pc
Mallorca	16/61	10/50 pc	13/55	11/52 pc
Milan	10/50	-2/29 pc	11/52	3/35 s
Moscow	-6/21	-11/13 pc	-7/20	-7/20 sn
Munich	4/39	-3/27 c	7/44	0/32 c
Nice	17/62	8/46 s	18/61	8/46 pc
Oslo	-1/31	-5/24 c	1/34	-2/29 c
Paris	13/55	3/37 pc	11/52	6/41 s
Prague	3/37	0/32 c	5/41	2/35 sh
Reykjavik	-1/31	-3/27 sn	1/34	-0/22 sn
Rome	14/57	2/35 pc	19/66	11/52 s
St. Petersburg	-4/25	-8/22 sn	-3/27	-7/20 c
Stockholm	-1/31	-2/29 sn	2/35	-3/27 sn
Strasbourg	6/43	1/34 c	6/46	3/37 pc
Tallinn	-3/27	-6/22 sn	-2/29	-3/27 sn
Venice	11/52	0/32 pc	12/53	3/37 s
Vienna	7/44	1/34 pc	8/46	4/39 c
Warsaw	1/34	-2/29 sl	2/35	-2/29 sn
Zurich	4/39	-2/29 c	6/43	1/34 c

Middle East

Abu Dhabi	29/84	18/64 s	30/86	18/64 s
Beirut	18/64	13/55 pc	18/61	8/46 r
Cairo	18/64	7/44 s	15/59	4/39 c
Damascus	14/57	4/39 pc	9/48	2/35 r
Jerusalem	14/57	4/39 pc	9/48	0/32 r
Luxor	23/73	4/39 s	23/71	3/37 s
Riyadh	30/86	17/62 s	32/89	17/62 c

Forecast for Friday through Sunday, as provided by AccuWeather.



North America
Stormy weather will move into the Great Lakes Friday, then exit the East Saturday followed by a return of chilly air Saturday and Sunday, respectively. Very mild air will be found ahead of this system. Dry and mild in the West with seasonable weather in the Rockies and Plains.

Europe
Near- to above-normal temperatures will prevail across much of the continent with southern Europe likely being the warmest. Scandinavia will be stormy, while unsettled weather will dampen the British Isles and northern tier from Amsterdam to Warsaw. Wet in southern Turkey and the Middle East.

Asia
Mainly dry and unseasonably mild weather will prevail across northeast China and both Koreas throughout the weekend, although showers may reach Beijing Sunday. Turning drier and milder across southern Japan, including Tokyo, while northern Japan stays cold. Seasonable in Hong Kong.

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	-1/31	-9/15 c	-3/27	-11/13 sn
Atlanta	20/68	12/53 c	19/66	6/43 sh
Boston	5/41	-1/31 s	13/55	4/39 pc
Chicago	7/44	3/37 sh	7/44	-7/20 r
Dallas	18/61	7/44 r	13/55	1/34 pc
Denver	6/43	-9/15 pc	5/41	-8/18 pc
Detroit	7/44	3/37 pc	10/50	-4/25 r
Honolulu	27/80	18/64 s	29/84	19/66 pc
Houston	22/71	10/50 t	18/64	3/37 pc
Los Angeles	21/70	7/44 s	25/77	9/48 pc
Miami	27/80	21/70 pc	28/82	19/66 pc
Minneapolis	4/39	-5/24 c	0/32	-11/13 c
Montreal	-1/31	-3/29 pc	10/50	3/37 sh
Nassau	29/79	19/66 pc	29/82	21/70 pc
New York	9/48	4/39 s	14/57	6/43 c
Orlando	28/82	17/62 pc	27/80	14/57 pc
Phoenix	24/75	6/48 s	24/75	6/48 s
San Fran.	17/62	7/44 s	17/62	8/46 pc
Seattle	10/50	3/37 sh	11/52	3/41 pc
Toronto	4/39	1/34 pc	12/53	-2/29 r
Vancouver	8/43	2/35 sh	9/48	7/44 pc
Washington	14/57	6/43 pc	17/62	7/44 sh

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bali	33/91	23/73 c	33/91	23/73 pc
Bangkok	31/88	21/70 s	29/84	21/70 s
Beijing	1/34	-2/29 s	1/34	-2/29 s
Bombay	29/84	14/57 s	31/88	17/62 s
Calcutta	23/73	12/53 pc	25/77	12/53 s
Chiang Mai	31/88	19/66 s	29/84	19/66 s
Colombo	29/84	21/70 pc	31/88	21/70 pc
Hanoi	21/70	16/61 pc	21/70	16/61 pc
Ho Chi Minh	33/91	24/75 s	31/88	24/75 t
Hong Kong	18/64	14/57 pc	19/66	14/57 pc
Islamabad	19/66	4/39 pc	21/70	7/44 pc
Jakarta	29/84	24/75 t	29/84	24/75 s
Karachi	25/77	11/52 s	27/80	13/55 s
K. Lumpur	32/89	23/73 t	32/89	23/73 c
K. Kinabalu	31/88	24/75 sh	32/89	23/73 c
Manila	29/84	21/70 t	30/86	19/66 pc
New Delhi	24/75	8/43 s	25/77	8/43 s
Phnom Penh	33/91	22/71 s	33/91	23/73 c
Pusan	3/37	21/70 s	23/64	21/70 c
Rangoon	31/88	21/70 s	29/84	21/70 c
Seoul	9/48	-8/22 c	3/35	-8/18 c
Shanghai	15/59	6/43 pc	13/55	2/35 s
Singapore	31/88	24/75 sh	32/89	24/75 c
Taipei	19/66	14/57 pc	20/68	13/55 s
Tokyo	11/52	2/35 s	9/48	-1/31 s
Vientiane	19/66	14/57 pc	21/70	16/61 pc

Africa

Algiers	21/70	8/46 s	22/71	10/50 s
Cape Town	25/77	14/57 s	28/79	15/59 s
Casablanca	23/73	13/55 s	23/73	13/55 pc
Harare	30/86	9/48 s	30/86	7/44 s
Lagos	31/88	23/73 s	30/86	24/75 pc
Nairobi	30/86	11/52 pc	31/88	11/52 s
Tunis	17/62	6/43 s	17/62	7/44 s

Latin America

Buenos Aires	20/68	9/48 pc	22/71	13/55 s
Caracas	28/82	22/71 pc	28/84	22/71 pc
Lima	28/82	22/71 pc	27/64	22/71 pc
Mexico City	24/75	9/48 pc	24/75	7/44 pc
Rio de Janeiro	30/86	22/71 pc	28/82	23/71 pc
Santiago	30/86	6/43 s	27/80	8/46 s

Oceania

Auckland	23/73	20/68 sh	23/73	18/61 pc
Sydney	28/82	22/71 s	30/86	23/73 c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hor, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

THE AMERICAS

Starr Insists Inquiry Will Be Pursued

Whitewater Is 'Active,' Prosecutor Declares

Compiled by Our Staff From Dispatches

WASHINGTON — The Whitewater investigation that has dogged the Clinton White House is far from over, Kenneth Starr, the special prosecutor in the affair, said Wednesday.

"Those who argue that this investigation is over are wrong," Mr. Starr told a gathering of lawyers in suburban Washington. Mr. Starr said Monday he would step down from the investigation to become dean, effective Aug. 1, of Pepperdine University School of Law in Malibu, California, and head the university's new school of public policy.

His announcement stirred speculation that the inquiry would end when he leaves and that no charges would be made against President Bill Clinton or his wife, Hillary Rodham Clinton.

The Whitewater scandal, which sprang from a fraudulant bankruptcy that sent several Clinton associates to jail, dates from the 1970s, when Mr. Clinton was governor of Arkansas.

"This investigation is active and at a sensitive stage," said Mr. Starr, who was named independent prosecutor in the case in August 1994. "It is wrong, indeed it is dangerous, to draw any conclusions from my personal situation," he added.

Even after he leaves for the Pepperdine post this summer, a court-appointed successor will continue his work.

Mr. Starr told the Fairfax County Bar Association in Virginia on Wednesday that it would not be necessary for him to remain on the job if he decided to seek indictments. Experienced prosecutors on his staff could handle the cases in court, he said. *(AFP, AP)*

■ Departure Is Criticized

Susan Schmidt of The Washington Post reported Tuesday:

Although Mr. Starr insists that his decision to leave his post as Whitewater independent counsel does not mean his office will not be bringing high-profile prosecutions, his protestations failed to convince even his conservative allies and some friends.

"If he was about to embark on a prosecution of historic proportions, then he wouldn't at the same time be planning on leaving," said Theodore Olson, a friend of Mr. Starr's who represents David Hale, a former Arkansas municipal judge and one of the key witnesses accusing the Clintons of wrongdoing.

"It's hard for me to believe he would be bringing any significant cases after he has announced his departure," said a former U.S. attorney, Joseph E. diGenova. "It would be almost unseemly."

The news of Mr. Starr's departure comes as his staff is in the final stages of preparing a long memo on the pros and cons of bringing criminal charges against the Clintons and others.

Several lawyers familiar with the investigation said that Mr. Starr's departure might make it even harder to gain the testimony of several witnesses who have been uncooperative.

The independent counsel's office is interested in acquiring information from Susan McDougal, a former savings and loan co-owner and a partner with the Clintons in the Whitewater real estate investment; Webster Hubbell, former associate attorney general and former law partner of Mrs. Clinton's, and Jim Guy Tucker, former governor of Arkansas. Mr. Starr's office won convictions against Mrs. McDougal and Mr. Tucker on Whitewater-related charges, and Mr. Hubbell pleaded guilty to defrauding clients and his law firm.

All three have refused to disclose what, if anything, they know about questionable behavior by the Clintons.

If Mr. Starr did not intend to signal no charges against the Clintons, he will have plenty of explaining to do about why he is leaving, said lawyers and others who have observed or been involved in the investigation.

"If he leaves July 1 and there is an indictment pending against the president and the first lady, he's going to take a lot of heat for walking away from it," said Mark Tuohey, Mr. Starr's former deputy.

James McKay, the independent counsel who investigated two Reagan administration officials, Lyn Nofziger and Edwin Meese 3d, said he was stunned by Mr. Starr's decision.

"I'm just amazed someone given a specific job to do leaves before it is completed. It's like the captain jumping off the ship before everyone gets off," he said. "If he has something really vitally important, he wouldn't leave at this point."

Several people close to Mr. Starr noted that he is known for having a tin ear politically and suggested he may not have thought through the conclusions that would be drawn from his actions.

"I think it is dangerous to speculate on what the activity of any one person might mean," Mr. Starr said in a statement. "The investigation is going to go on for some time. It is not one individual. It is a process that involves a number of very skilled professionals who are committed to doing the best possible job."

John Bates, Mr. Starr's deputy, said Mr. Starr was presented with a unique opportunity at Pepperdine and that he "couldn't control the *timing*." He was formally offered the job two weeks ago.

Mr. Starr, 50, was appointed a federal judge by President Ronald Reagan and was President George Bush's solicitor general. He has taught courses at Pepperdine's law school, is on the school's board of visitors, and received an honorary degree there last year.

Jeff Mitchell/Reuters

Kenneth Starr speaking to the press in Little Rock, Arkansas.

Glenn Plans to Retire From Senate

Former Astronaut's Exit Would Give Republicans a Boost

By Katharine Q. Seelye
New York Times Service

WASHINGTON — Senator John Glenn, Democrat of Ohio, the former astronaut who was the first American to orbit Earth, is expected to announce Thursday that he will not seek re-election to a fifth term next year.

Mr. Glenn's announcement will coincide with the 35th anniversary of his flight into space.

Mr. Glenn, 75, was first elected to the Senate in 1974. He has told friends that he is ready to retire and wants to spend more time with his wife, his childhood sweetheart.

At the same time, George Voinovich, the popular governor of Ohio and a Republican, has long made clear his intention to challenge Mr. Glenn and has raised $1.3 million for the 1998 Senate race. Mr. Glenn's campaign committee remains $3 million in debt from his quest for the 1984 Democratic presidential nomination.

But his treasurer said Mr. Glenn was awaiting a Federal Election Commission ruling that would allow him to pay his creditors a portion of what he owes and declare his debt paid.

Mr. Glenn and Mr. Voinovich are the two titans of Ohio politics, and Mr. Glenn's retirement would most likely clear the way for Mr. Voinovich to take his seat. If so, the swap would move the Senate a notch to the right, replacing Mr. Glenn, a moderate Democrat who supports abortion rights, with Mr. Voinovich, a moderate Republican who opposes abortion and supports a balanced-budget amendment to the constitution.

With the Republicans now in control of the Senate, 55 to 45, President Bill Clinton and other Democratic Party leaders have beseeched Mr. Glenn to run one more time. But all indications are that he will bow out Thursday at an appearance at his alma mater, Muskingum College in Ohio.

Gordon Hensley, a spokesman for the National Republican Senatorial Committee, said: "The mission here in the next cycle is to increase the size of the Republican majority, and Senator Glenn's expected departure can only be characterized as a disaster in Ohio for the Democrats. Governor Voinovich will be very well placed to pick that seat up."

Mr. Glenn is expected to be the second senator, and the first Democrat, to say he is not seeking re-election in 1998. Senator Dan Coats, Republican of Indiana, has already said he will not run again.

Mr. Glenn made his mark in the Senate as a nuclear proliferation expert. He was touched by the Keating Five scandal, in which five lawmakers were accused of doing favors for a wealthy campaign contributor, but the ethics committee said only that Mr. Glenn had "exercised poor judgment" in arranging a meeting.

But nothing he accomplished in Washington ever gained him the kind of notice he received when he was catapulted into space on Feb. 20, 1962, in a tiny Mercury capsule dubbed Friendship 7.

President John F. Kennedy kept in communication with Mr. Glenn during the nearly five-hour flight, which was broadcast around the world.

Mr. Glenn was the first American in orbit, but two Russians had preceded him.

"John Glenn will primarily be remembered for being an astronaut," said John Green, a political analyst at the University of Akron.

Mr. Green said Mr. Glenn had an apolitical, almost naive political approach that appealed to voters, who liked what Mr. Green called Mr. Glenn's "acute sense of fair play."

Still, Mr. Green said, that apolitical quality prevented Mr. Glenn from becoming a real player in the Senate and doomed his presidential candidacy.

"I don't know if he was unwilling or unable," Mr. Green said, "but he couldn't do the sort of things a Democratic nominee needs to do to reach out to all the constituencies. He wanted to play it straight, but people didn't find him palatable."

POLITICAL NOTES

Labor Nomination Deemed Doomed

WASHINGTON — Some White House officials are increasingly pessimistic that Alexis Herman can be confirmed as secretary of labor, fearing that her nomination will become a victim of the swelling Democratic fund-raising controversy, administration officials said.

Although the White House chief of staff, Erskine Bowles, insisted that President Bill Clinton remained committed to the nominee and expected her to be confirmed, some aides privately conceded that the nomination faced many further weeks of delay and may fail.

Ms. Herman, director of the White House Office of Public Liaison, is under scrutiny by the Senate Labor and Human Resources Committee, which is investigating her political and business background. The panel's chairman, James Jeffords of Vermont, has not set a hearing on the nomination or issued any estimate of when the inquiry would be completed.

A senior White House aide predicted that Labor Committee Republicans would delay public testimony on Ms. Herman's nomination until a separate congressional inquiry into campaign donations had reviewed her White House political activities.

"That'll be sometime in 1999," the official said sardonically.

Another White House aide involved in trying to win Ms. Herman's confirmation said that he believed the committee's strategy was to subject the nominee to "death by a thousand cuts" and that there was little the administration could do.

Joseph Karpinski, the Labor Committee spokesman, denied that the panel would await the outcome of the fund-raising inquiry by the Senate Governmental Affairs Committee. *(NYT)*

No Contracts for Labor Law Violators

LOS ANGELES — Vice President Al Gore has told AFL-CIO leaders that the Clinton administration will soon issue regulations imposing new restrictions on federal contracts to companies that violate laws on occupational safety, overtime and union organizing.

The labor movement has pushed for years for restrictions to punish companies that flout laws protecting workers. But it was only after the AFL-CIO last year undertook its largest campaign ever to elect Democrats that Mr. Gore announced the new procurement rules.

Under the administration's new policy, made public by the vice president at the federation's four-day meeting here, companies' adherence to labor laws is to be taken into account for the first time in the awarding of federal contracts, and those that have violated such laws could be barred from receiving them.

"We're going to send a message to companies that want to do business with the federal government: How you treat employees and how you treat unions counts with us," Mr. Gore said Tuesday, standing with John Sweeney, the president of the federation, the largest U.S. labor organization. "If you want to do business with the federal government, you'd better maintain a safe workplace and respect civil, human and union rights."

Mr. Gore announced the new policy on a day when he and the House Democratic leader, Richard Gephardt of Missouri, appeared before the federation's executive council in what was widely viewed as a beauty contest between two future presidential candidates vying for labor's dollars and endorsement. *(NYT)*

Quote/Unquote

Bill Richardson, the new chief U.S. delegate to the United Nations, after a visit to the UN cafeteria sent security guards scurrying and had his own aides fretting about the possibility of an inopportune photo opportunity with a diplomat from an adversary like, say, Libya: "If I err, it will be on the side of action, not inaction." *(NYT)*

Clinton Fund-Raising: Apologetic, Yet Defiant

By John F. Harris
Washington Post Service

NEW YORK — President Bill Clinton was defiant in one breath and apologetic in the next as he ventured to an opulent Upper East Side town house decorated with gold-painted chairs and yard-high candles to help Senate Democrats raise a million dollars.

Mr. Clinton appeared Tuesday night at the fund-raiser for the Democratic Senatorial Campaign Committee even as he is engulfed in controversy over whether his administration granted improper access and influence to large contributors to the Democratic National Committee.

He thanked the contributors, some of whom gave $25,000 or more, for helping Democrats despite the controversy and even "knowing you might be targeted for the exercise of your constitutional right" to give money. He told the donors he regretted "everything you have had to endure, including some of the calls you have received."

Mr. Clinton said the controversy involved only a small number of contributions "involving less than 2 percent of the money we raised."

Even so, he acknowledged that "for reasons I cannot explain or defend, our party did not check all the contributions that were given." He urged the contributors to support the bipartisan campaign finance reform he has endorsed, which would outlaw unlimited "soft money" gifts of the sort that the fund-raiser was collecting Tuesday night.

'Hey, Mr. Clinton, Coffee at Fairway is 65 cents. Coffee at the White House is $200,000. And ours tastes better.'

If Mr. Clinton had thought the furor over Democratic fund-raising was strictly a Washington obsession, he could have learned otherwise Tuesday morning by glancing out the window of his limousine.

As the presidential motorcade cruised down the West Side Highway in Manhattan, it passed an electronic billboard where a grocery store was running an advertisement that poked fun at recent revelations of White House coffees that included people who wrote big checks to the Democratic National Committee.

"Hey, Mr. Clinton," the message read. "Coffee at Fairway is 65 cents. Coffee at the White House is $200,000. And ours tastes better."

That is the kind of elbow-to-the-gut humor that this city appreciates, and it neatly captured how Mr. Clinton's jaunt to Manhattan was dominated by the money controversy. Evening news coverage focused less on Mr. Clinton's speeches, promoting how to find jobs for welfare recipients, and more on the fund-raiser.

Proponents of campaign finance reform called Mr. Clinton a hypocrite last week for agreeing to attend the event Tuesday. This is because the group has not agreed to abide by the same curbs on contributions of the sort that Mr. Clinton last month installed at the Democratic National Committee when he boasted of his determination to purge the influence of big money in politics.

After being severely criticized for its fund-raising methods — which in 1996 pulled in record sums, but also brought in more than $1 million that had to be returned as illegal or improper — the Democratic committee, at Mr. Clinton's direction, agreed not to take gifts from foreign nationals or gifts of more than $100,000.

But the Democratic Senatorial Campaign Committee and its House counterpart, the Democratic Congressional Campaign Committee, say they have no plans to join Mr. Clinton in imposing voluntary restraints, and the White House has not objected to the decision.

The event Tuesday was a lavish affair. Mr. Clinton made clear he was impressed by the luxurious surroundings. "This makes the White House look like public housing," he said, adding, "It is wonderful public housing."

Away From Politics

• **The crew of the space shuttle** Discovery has released the Hubble Space Telescope "to study the stars" after a $350 million refurbishment. *(Reuters)*

• **The success rate in curing patients** and not just the quality of staff and equipment will be considered for the first time when deciding which hospitals to approve, the group that accredits U.S. hospitals said. Eventually, those facilities that fail to meet specified standards could lose their accreditation, the Joint Commission on Accreditation of Healthcare Organizations said. *(WP)*

• **District of Columbus police** would be able to fight crime better if Mayor Marion Barry had less power over the department and the police chief, Larry Soulsby, had more, sources familiar with a report by the Booz-Allen & Hamilton consulting firm said. *(WP)*

• **A homeless man living in a shanty** under a highway in Brooklyn died when his makeshift home caught fire and a companion was unable to pull him from the flames, the police said. Four others have died in similar incidents. *(NYT)*

Abortion Foes Win 'Up Close'

Supreme Court Backs Sidewalk Confrontations

The Associated Press

WASHINGTON — Anti-abortion demonstrators have a free-speech right to confront clinic patients and staffers up close on public streets and sidewalks as long as they stay more than 15 feet away from the clinic, the Supreme Court ruled Wednesday.

In splintered voting, the court struck down a federal judge's order that had kept most demonstrators at abortion clinics in the Buffalo and Rochester, New York, areas 15 feet (about 4.5 meters) away from any patient or staff member. The court said that a "floating buffer zone" on public ways violates demonstrators' free-speech rights, as guaranteed by the First Amendment to the U.S. Constitution.

But it upheld a fixed buffer zone that keeps demonstrators at least 15 feet away from clinic doorways, driveways and driveway entrances.

The court also upheld a part of the federal judge's order requiring so-called sidewalk counselors who approach patients within the fixed buffer zones to retreat when patients indicate a desire not to be counseled.

"We strike down the floating buffer zones around people entering and leaving the clinics because they burden more speech than is necessary to serve the relevant government interests," Chief Justice William Rehnquist wrote for the court.

"The floating buffer zones prevent defendants — except for two sidewalk counselors while they are tolerated by the targeted individual — from communicating a message from a normal conversational distance or handing leaflets to people entering or leaving the clinics who are walking on the public sidewalks," he wrote.

"Leafleting and commenting on matters of public concern are classic forms of speech that lie at the heart of the First Amendment."

Karen Swallow Prior, an organizer of 1992 anti-abortion protests in Buffalo, rejoiced and said, "The ruling basically says that pro-lifers have the same First Amendment rights that the rest of Americans do."

The vote was 8 to 1 to strike down as unconstitutional the floating buffer zones. All but Justice Stephen Breyer joined that part of Justice Rehnquist's opinion.

The vote to uphold as constitutional the fixed 15-foot buffer zone around clinic entrances and parking lots was 6 to 3.

Justice Rehnquist was joined in that part of his opinion by Justices Breyer, John Paul Stevens, Sandra Day O'Connor, David Souter and Ruth Bader Ginsburg.

Justices Antonin Scalia, Anthony Kennedy and Clarence Thomas voted to strike down all of the judge's order.

The nation's highest court reaffirmed the right to abortion in 1992. Since then, its focus largely has been on protesters' tactics during a time that has seen many violent acts at abortion clinics, including five killings.

In another case, the court ruled Wednesday that the police could order passengers, as well as drivers, to get out of vehicles during traffic stops. Ruling, 7 to 2, in a Maryland case in which Attorney General Janet Reno argued as a friend-of-the-court, the justices said the need to protect police officers' safety justified the "minimal" intrusion on passengers' rights.

"Regrettably, traffic stops may be dangerous encounters," Chief Justice Rehnquist wrote for the court. He noted that 11 police officers had been killed and thousands more assaulted during traffic stops in 1994. "Danger to an officer from a traffic stop is likely to be greater when there are passengers in addition to the driver in the stopped car," he wrote

The ruling reversed a Maryland appeals court decision that said crack cocaine found in a 1994 stop could not be used as evidence.

AMERICAN TOPICS

California's Gold Rush: The 1997 Version

Rumors of gold have sparked a new minirush into the famous mother lode country of California. Waves of prospectors have been swooping down on the rivers of the Sierra and their tributaries, lugging along picks and shovels, metal detectors and sluice boxes.

They come in the wake of January's floods, hoping that the turbulent rivers caused by pounding rains will have dredged and eroded river bottoms, exposing bedrock never touched by miner's pick.

Weekend prospectors usually don't turn out in any numbers until spring.

But merchants who cater to miners' needs say business has been exceptionally brisk, reports the Los Angeles Times. "If it wasn't so damn busy," one equipment supplier said, "I'd be out there right now myself."

So far, pickings have apparently been fairly slim. "Oh, we've found a few pieces," said one man, standing beside a fork of the Stanislaus River, "but nothing fantastic."

The current enthusiasm, of course, has been nothing like the great 1849 gold rush, which attracted thousands of miners and made millionaires of some. Still, the lure remains. One white-bearded, rustic-looking fellow summed it up this way: "Up here you might be one foot away from a million dollars, and you might be a million feet away from your next dollar. You never know. That's what keeps them coming."

Short Takes

Soul of the Machine: Tuesday between 2 A.M. and 3 A.M. is the quietest time for demands on America's automatic teller machines; Sunday is the busiest, and the time when the largest purchases are made, probably because of grocery shopping. The lowest approval rate for cash withdrawals comes in the early hours — apparently because of errors of judgment associated with alcohol and late-night partying.

Airport officials at the California desert resort of Palm Springs had been getting complaints about cab drivers . . . mostly muttered complaints about body odor and bad breath. Worried that tourists would take serious offense, they have proposed a list of regulations for cabbies, calling on them to shower with soap, brush teeth with toothpaste, and use breath mints daily. Cabbies are insulted and enraged — all the more so because of the smirks and snide comments of the doormen they deal with at pricey hotels. "These regulations are crazy," one driver, George Turner, said. "I was just surprised they didn't tell me what brand of toothpaste to use."

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ASIA/PACIFIC

Starvation Looms in North Korea, Not Collapse, U.S. Experts Say

By Brian Knowlton
International Herald Tribune

WASHINGTON — As dire as the food shortage facing North Korea is, and as cruel a blow as the recent high-profile defection of a Pyongyang official may be, U.S. officials and Korea specialists say they see no sign that the Stalinist government is about to collapse.

Despite a withering economy — it has contracted 30 percent since 1990 — and looming starvation, North Korean leaders appear to be able to cling to power for some years, the officials and specialists said this week.

The U.S. hope, buffeted but apparently unbowed by recent events, is that continued efforts to engage Pyongyang can help guide it toward a "soft landing," reducing its sense of isolation and curbing its unpredictability en route to the ultimate goal of Korean reunification.

Charles Kartman, acting assistant secretary of state for East Asian affairs, made it clear this week that the Clinton administration intended to keep the human needs of North Koreans separate from its political distaste for the Kim Jong Il government.

Extensive flooding in 1995 and 1996 devastated rice fields, killed livestock, and displaced a half-million people, producing dramatic food shortages.

"It has reached the point," Mr. Kartman said, "where malnutrition is turning into starvation." The question now, he said, was not whether to help the North, but "how to best address the humanitarian concerns in the great tradition of our country."

A U.S. reply to the latest appeal for aid is due soon, he said, and it will be "very much consistent with what we've done elsewhere in the world."

But South Korea blames North Korea for a series of brutal acts — bombings and terrorist attacks including, allegedly, the recent shooting of a defector in Seoul. This has reheated the debate about whether Washington and Seoul should actively, or passively, assist in Pyongyang's demise.

John Merrill, a State Department analyst, insisted that U.S. diplomatic efforts at engagement are proper, and are working, at least marginally.

"Diplomatic engagement has created a kind of crisis stability, or new mechanisms for crisis stability, which did not exist before," he said, adding that he was not necessarily expressing State Department policy.

But that very stability, others argued, might help preserve what many refer to as an "outlaw regime," giving indirect succor to the North Korean Army, more than a million strong.

Either way, officials and analysts at a Korea conference at the University of Maryland said, the Pyongyang government is unlikely to leave the scene soon.

"South Korea is stuck with a North Korean regime," said Hy Sang Lee, a North Korea specialist at the University of Wisconsin, "which will not reform and which will not fall apart."

The defection of Hwang Jang Yop, and the shooting in Seoul of a man who defected years ago — coming soon after the grounding off the South Korean coast of a North Korean submarine carrying commandos — have been interpreted by some analysts as signs that Pyongyang is acting with increasing desperation as its society plummets into misery.

Mr. Kartman said he had been asked repeatedly whether those incidents might be connected. "I think that there's a fairly compelling circumstantial thread that runs through all these events," he said, while adding that they also raised substantial unanswered questions, such as whether the defection is "authentic."

There is no doubt, he added, that North Korea remained a source of danger. The submarine incident, he said, showed "a willingness to take very profound risks with the peace on the Korean Peninsula."

But Mr. Kartman said the recent events also pointed to the existence of a faction in Pyongyang that believes that "change is necessary in order to survive."

C. Kenneth Quinones, of the State Department bureau of intelligence and research, emphasized that "our whole effort" with North Korea "is to move away from containment, toward engagement."

■ $10 Million U.S. Aid Expected

The United States is expected to give $10 million in food aid to North Korea to help it avert widespread famine, Agence France-Presse reported Wednesday from Washington, quoting a source.

The U.S. contribution would amount to about a quarter of the $41.6 million appeal launched by the UN World Food Program.

It would be the third U.S. contribution of food aid to North Korea following an initial $8.2 million package in 1995 and $6.2 million last year.

Prosecutors Indict 10 In Hanbo Steel Affair

Reuters

SEOUL — South Korean state prosecutors indicted 10 people Wednesday over the collapse of Hanbo Steel & General Construction Co. in a loans-for-kickbacks scandal that has rocked the government of President Kim Young Sam.

Nine of those indicted, including three close aides to Mr. Kim, are in detention in connection with the scandal. The 10th is in jail over an unrelated case.

Prosecutors said their investigation into what is probably the biggest corporate collapse in South Korean history was at the halfway point.

Choi Byung Koog, a senior prosecutor, said the investigation had run into problems because key evidence had been destroyed, including Hanbo's account books before 1993. Cash bribes were hard to track down.

The prosecution was depending heavily on testimony by the Hanbo Group's founder, Chung Tai Soo, one of those detained along with the former company treasurer, Kim Jong Kook.

Hanbo Steel & General Construction Co. flagship of the Hanbo Group, South Korea's 14th biggest conglomerate, was declared insolvent on Jan. 23 after running up five trillion won ($5.8 billion) in debt.

"So far, we've had a hard time finding truth behind the case that would clear up all suspicions," Mr. Choi said.

Mr. Choi said the prosecution was still trying to account for 25 billion won in loans.

Those in President Kim's inner circle who were indicted were the former home affairs minister, Kim Woo Suk, who resigned Jan. 12 before detention on charges of accepting bribes, and Hong In Gil and Hwang Byung Tai, lawmakers and key members of a faction that backed Mr. Kim's rise to power.

Another member of Parliament, Chung Jae Chull, the highest-ranking official in the governing New Korea Party after the president and party chairman, also was indicted.

Three bankers were indicted, including two former presidents of Korea First Bank, Hanbo's major creditor. One of the former bank presidents, Rhee Chul Soo, is serving a three-year jail sentence for bribery in a separate case. The other is Sheen Kwang Shik.

The third banker to be indicted was Woo Chan Mok, head of Cho Hung Bank.

Kwon Roh Kap, a top aide to the opposition leader Kim Dae Jung, was also indicted.

Greg Baker/The Associated Press

A crowd staring past a police cordon on Wednesday near the South Korean consular compound in Beijing, where Hwang Jang Yop took refuge on Feb. 12.

DEFECTOR: *China Finally Reports Incident*

Continued from Page 1

Beijing has found itself an unwilling third party in the episode, but has indicated it hopes the two Koreas can sort out the problem themselves. Officials in Seoul have said such a solution is impossible.

"We are telling the Chinese that there's no dialogue channel and it is impossible to resolve a sensitive defection issue in direct talks with the North," a South Korean Foreign Ministry official said.

South Korean officials in Beijing said talks with Chinese officials were continuing but declined to comment on their content, saying only that a solution was likely take some time.

"But with North Korea changing its attitude, we hope there will be progress in our negotiations," the official said.

More and more Chinese have gathered daily near the cordoned-off streets surrounding the South Korean consulate. The onlookers can see several armored personnel carriers beyond the cordons manned by large numbers of police. That such highly visible security measures could go unreported in the state-run media for a week shows the difficult position Mr. Hwang's defection places Beijing in.

(Reuters, AP, AFP)

■ 'Cowards' Can Go, North Says

Andrew Pollack of The New York Times reported earlier from Seoul:

In another sign that North Korea might accept the defection of a top official, Kim Jong Il said in an official radio broadcast that "cowards" were welcome to leave.

"As the revolutionary song says: 'Cowards, leave if you want to. We will defend the red flag of revolution to the end,' " Mr. Kim was quoted as saying in a Radio Pyongyang broadcast that was monitored in Tokyo.

The remark by Mr. Kim, as well as assertions in the last few days by U.S. and South Korean officials that they still intend to supply food to North Korea, raise the prospect that the defection, as well as the shooting in Seoul on Saturday of another North Korean defector, might not seriously derail recent efforts to improve relations on the Korean Peninsula.

Some doubt has emerged that the shooting of Lee Han Young, a prominent defector, was carried out by agents of the North in retaliation for the defection of Mr. Hwang. Mr. Lee is brain dead and is being kept alive by a respirator. A bullet used in the shooting might not have been fired by a Browning pistol, the type favored by North Korean agents, the authorities said. Also, officials said the apartment in which Mr. Lee was staying received a mysterious phone call asking his whereabouts a week before Mr. Hwang's defection.

There has been some speculation in Seoul that North Korea is preparing to accept Mr. Hwang's defection so that it would not jeopardize the food and other economic aid that the North desperately needs. But it is not clear if there is any explicit effort under way to trade Mr. Hwang's freedom for aid.

A senior American official said that there was no connection between North Korea's actions involving Mr. Hwang and the provision of food aid to the North. "We will respond with only one criterion, which is humanitarian need," the official said.

BRIEFLY

Pakistani Wins Confidence Vote

ISLAMABAD — Pakistan's new prime minister, Mian Nawaz Sharif, won a strong vote of confidence Wednesday in the 217-seat National Assembly, the lower house of Parliament, and then vowed to move fast to carry out a reform program.

The assembly speaker, Ilahi Bakhsh Soomro, said 181 members, out of 200 sworn in so far, had voted in favor of Mr. Sharif, who has yet to announce the composition of his cabinet.

The house elected Mr. Sharif prime minister on Monday, 177 votes to 16. The confidence vote Wednesday was a constitutional formality required within 60 days of his election.

"We will use this mandate in the interest of the nation," Mr. Sharif said after the vote. *(Reuters)*

Party Won't Move Against Deve Gowda

NEW DELHI — The Congress Party said Wednesday that it would not immediately move to topple the United Front government it has reluctantly supported for nine months.

"It won't fall this year," a Congress spokesman, Vithal Gadgil, said when asked if Prime Minister H.D. Deve Gowda's government might fall during the three-month budget session of Parliament that opens Thursday.

"It will at least survive the budget session," Mr. Gadgil said.

Mr. Deve Gowda has fewer than 200 deputies in the 545-member lower house of Parliament. The Congress Party, which controls about 140 deputies, said over the weekend that its support for the government was no longer unconditional. *(Reuters)*

Japan Lawmaker Indicted in Fraud

TOKYO — A prominent Japanese lawmaker was indicted Wednesday in connection with a billion-yen investment fraud scandal involving his family members and possibly top-level opposition politicians, a Tokyo District Prosecutors Office spokesman said.

Tatsuo Tomobe, 68, a member of the Upper House, is the latest of five people, including his wife, Mikiko, 61, and their son Momoo, 29, to be indicted in the affair involving a bankrupt investors' group, Orange Kyosai Kumiai, the official said.

Tomobe's wife headed and his son managed the Orange group, which prosecutors allege collected billions of yen from investors. *(Reuters)*

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EUROPE

Leftists Meet to Examine Their Future, and Italy's

Reuters

ROME — At a congress six years ago, the Italian Communist Party changed its philosophy in an effort to woo moderate voters and get into government, and so recast itself as the Democratic Party of the Left.

The move to repudiate communism paid off and the party, now the biggest member of Italy's nine-month-old center-left Olive Tree coalition, gathers again this week to work out where to go from here.

Massimo D'Alema, the party leader who is unopposed for re-election, wants to transform his party still further, into a broad social-democratic force to consolidate its power in Italian politics.

In contrast to the gathering in 1991, the four-day congress that opens Thursday is not yet ready to come up with a new name and logo. But improving the party and Italy is high on its agenda.

"I think the impulse towards reforms will certainly be part of our congress," said Cesare Salvi, the party's leader in the Senate.

Deputy Prime Minister Walter Veltroni opens the congress Thursday in a Rome suburb, and the first session will be given over to debate of the left and its role in government.

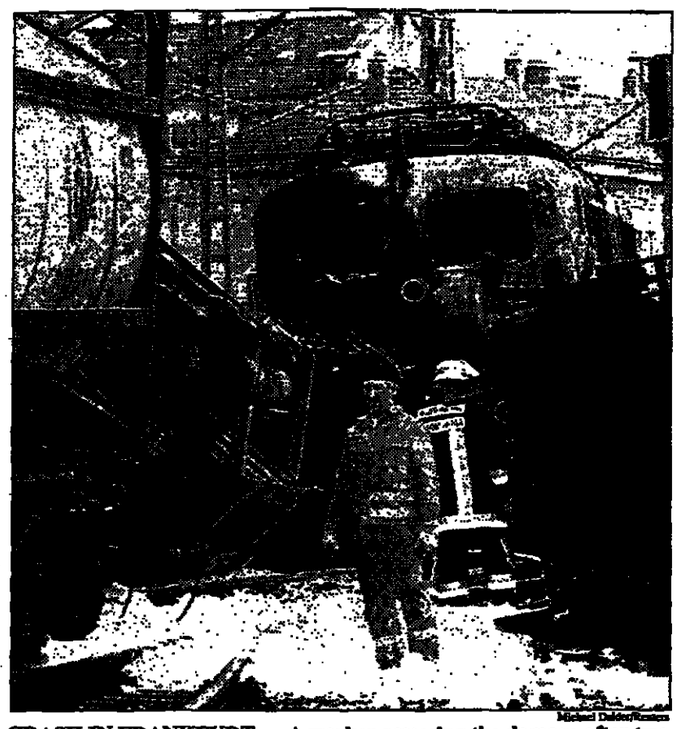
The party won just over 21 percent of the vote in last April's general election, propelling the left into power after decades in which "Reds" were deemed too risky to join the establishment.

The party's power is pivotal to Prime Minister Romano Prodi's government — when Mr. D'Alema paid a visit to Chancellor Helmut Kohl the day before an Italian-German summit meeting recently, many were convinced it proved that he, not Mr. Prodi, was in charge.

But the party, despite its changes, has yet to win over centrist Italian voters.

Mr. D'Alema's strategy is to portray his party as the trustworthy, "serious" option in Italian politics. The aloof-looking 47-year-old, who has led the party since 1994, heads an important parliamentary commission working to revamp Italy's constitution and make government more stable.

At the congress, however, one of the hottest debates will revolve around how to shake up the welfare state and pension system. The expected 1,130 delegates will debate a plan to reform social spending, one of the thorniest political topics now.



Michael Dalder/Reuters

CRASH IN FRANKFURT — A worker assessing the damage after two trains collided and burned Wednesday near the city's South station.

Parliament Censures EC For 'Mad Cow' Bungling

Compiled by Our Staff From Dispatches

STRASBOURG — The European Parliament censured the European Commission and Britain on Wednesday, accusing them of serious errors in the handling of the "mad cow" crisis.

But it stopped short of imposing any punishment or penalty on either party.

The Parliament adopted a scathing report by a special committee of inquiry that accused the commission and Britain of giving the beef market priority over public health, failing to enforce eradication measures and minimizing the risks of the disease, bovine spongiform encephalopathy.

The Parliament voted by 422 to 49 with 48 abstentions in favor of a joint resolution on the report, introduced by the Parliament's three main political groups — the Socialists, Christian Democrats and Liberals.

The resolution gave the commission a November deadline to improve its management of health policy across the 15-nation bloc, or face a parliamentary vote of no-confidence. Such a measure could lead to the eventual dismissal of the entire 20-member EU executive body.

Wednesday's resolution also criticized Britain's role in playing down the crisis. Britain's agriculture minister, Douglas Hogg, was singled out for refusing to appear before the parliamentary inquiry committee that drafted the report.

But the Parliament rejected all but one of 12 amendments to the resolution, including a demand that the commission take legal action against the British government.

On Tuesday, European Commission President Jacques Santer tried to persuade the Parliament that the reforms the commission planned to take would be sufficient. These included a shake-up of the commission's food-safety services that would put the consumer-affairs chief, Emma Bonino, in overall control. *(Reuters, AP)*

■ Gelatin Exports Said to Go On

A leading researcher into Creutzfeldt-Jakob disease said Wednesday that Britain was exporting 600,000 metric tons of gelatin a month despite a European Union ban, Reuters reported from Strasbourg.

A professor, Richard Lacey, said that Britain's junior farm minister Angela Browning, had told the British Parliament in November that gelatin exports were continuing and that neither government nor industry knew whether the raw materials used came from cows or from other animals.

U.S. Lawmakers Urge Bonn to Honor Vogel, Who Set Up Spy Swaps

The Associated Press

BONN — Two U.S. congressmen appealed to Germany on Wednesday to recognize publicly the achievements of a former East German lawyer who covertly brokered spectacular East-West spy and dissident exchanges during the Cold War.

"There's been a lack of recognition" by the German government of Wolfgang Vogel, complained Representative Benjamin Gilman, Republican of New York and chairman of the House Committee on International Relations.

He was joined by Representative Tom Lantos, Democrat of California.

As a negotiator for the East German Communists, Mr. Vogel was secretly involved in Moscow's release in 1962 of the U-2 spy pilot Francis Gary Powers, whose plane had been shot down over the Soviet Union, for the Soviet spy Rudolf Abel. Mr. Vogel also had a role in swapping the Soviet dissident Natan Sharansky for several East Bloc spies in 1986.

BRIEFLY

Strike in Spain Brakes Automakers in Europe

MADRID — A strike by thousands of Spanish truck drivers was crippling production at some European automakers Wednesday as the stoppage entered its 14th day. Scattered violence was reported.

Opel, a General Motors subsidiary, told most of its 20,000 employees in Germany to stay home because car parts had failed to arrive from Spain. The company said all its plants could be forced to halt production by the end of the week. Volkswagen in Wolfsburg, Germany, said about 3,500 workers also were told to stay home from work because of a lack of parts, which has halted production of VW's Polo car.

Renault's plant at Palmela, south of Lisbon, was forced to stop production of the Clio, a popular model of the French automaker. Opel and Ford said they would halt production at their Portuguese plants Wednesday.

One engine-parts manufacturer, Fundimotor, began sidestepping the strikers by flying its products by helicopter from its plant in Santander to the northern city's airport. There, they were loaded onto planes and flown to car-manufacturing factories in England, France and Italy. *(AP)*

Parliament Clears Ciller

ANKARA — The Turkish Parliament cleared Foreign Minister Tansu Ciller on Wednesday of charges of corruption over her personal assets, said the deputy speaker, Kamer Genc.

A day earlier, Parliament cleared Mrs. Ciller of corruption charges over the dealings of a state-run company and privatization during her time as prime minister. In that vote, deputies from her conservative True Path Party and her coalition partners, the pro-Islamic Welfare Party of Prime Minister Necmettin Erbakan, supported her. Most of the opposition backed calls for her to face trial. *(AFP)*

An 'American' Solution

PARIS — French parliamentarians put forward an "American" solution Wednesday to proposed immigration laws, removing a disputed requirement that citizens declare foreign guests to the authorities. The new amendment is intended to appease a mounting public call to boycott laws requiring people to inform their local mayor of the departure of foreign visitors.

A conservative lawmaker, Pierre Mazeaud, proposed removing any legal responsibility from French citizens. Instead, foreign visitors would have to notify authorities themselves of their arrival and departure, as in the United States. *(AP)*

Albanians Seek Greek Visa

TIRANA, Albania — Hundreds of destitute Albanians lined up outside the Greek Embassy on Wednesday, seeking visas to work in the neighboring Balkan country after losing their life savings in fraudulent pyramid investment schemes at home.

Most of the would-be immigrants told the same story: They had sunk cash from years of menial illegal work into the get-rich-quick schemes and lost everything.

Most of those lining up to leave Albania came from the region around Vlore, a southern port that was rocked by riots over the failed Gjallica fund last week. Three people died during clashes with riot police. *(Reuters)*

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Albright in Moscow: Her Background Unnerves Russians

By Alessandra Stanley
New York Times Service

MOSCOW — In the first interview on Russian television with the new American secretary of state, Russia's most respected television journalist, Yevgeni Kiselyov, leaned forward and asked the question most pressing to Russian viewers.

"Miss Albright," he said intently, "Please tell me how the circumstances of your life, your immigrant past, the fact that you had to leave your native Czechoslovakia because the Communists had taken power with Moscow's support, how has all this influenced your attitude to Russia?"

Madeleine Albright, who was filmed in her Washington office on the eve of her worldwide tour, replied rather tartly that her views of communism were not very different from those of most Russians.

"They also suffered," she said.

As the secretary of state prepared for her first official visit to Moscow on Thursday to discuss, among other things, the thorny issue of NATO expansion, Russians are bracing themselves for lots of tea and no sympathy.

Russian foreign policy experts fret that her Eastern European background has shaped her ideology and hardened her views about excluding Russia from an enlarged form of NATO.

Some Russian officials complain privately that she is tough, but "emotional."

Mainstream democratic newspapers like Izvestia and Segodnya describe her as a hawk who will inevitably worsen U.S.- Russia relations. One of the more nationalist newspapers, Sovetskaya Rossiya, a pro-Communist daily, described Mrs. Albright's recent discovery that her parents were Jewish as a "personal embarrassment" that could also seriously affect U.S. foreign policy in the Middle East.

"She doesn't have her own grand vision," said a government official, who spoke on the condition of anonymity. "But she will follow the positions prescribed to her in a bullish manner." He added that Russians were looking for compromise on NATO expansion, and feared that Mrs. Albright lacked the desired flexibility.

"Lets face it, there has to be a psychological factor in the fact that she was an Eastern European immigrant. Subconsciously, she is going to want to be much tougher than a native-born American would be."

Mrs. Albright, who is expected to meet with President Boris Yeltsin and Foreign Minister Yevgeni Primakov, is well aware of Russian fears that she is biased against them. She has taken pains to smooth the path, telling Russian interviewers how much she admires the Russian language and culture. Hoping to soften Moscow's opposition to NATO expansion before the summit meeting next month, she proposed Tuesday in Brussels that the U.S. and Russia form a joint military brigade for peacekeeping operations in Europe.

The Russian government has not officially reacted to the proposal, but officials inside the Foreign Ministry say privately that while such a task force might be acceptable, it is unlikely to change Moscow's insistence that Russia be given the power to veto actions by an expanded NATO.

■ Albright Stresses NATO Growth

Mrs. Albright and British leaders reasserted Wednesday the case for NATO enlargement and a new military and security relationship between NATO and Russia, Agence France-Presse reported from London.

In evening sessions with Prime Minister John Major, and then Foreign Secretary Malcolm Rifkind, Mrs. Albright preached the inevitability of NATO expansion into the former Soviet bloc, said her chief spokesman, Nicholas Burns.

STASI: *Trial of 4 Opens*

Continued from Page 1

damage on West or East Germany. "On the contrary, jailing them would have led to more attacks. We closed the vicious circle," he said.

Defense lawyers have not disputed the charges that their clients assisted the terrorists for nearly a decade, from the time they sought sanctuary in the early 1980s until their arrest by West German investigators in 1990. But they have urged leniency in arguing that the security officers managed to defuse the campaign of violence by taking the terrorists out of circulation and keeping a close vigil on their activities.

Of the 10 Red Army Faction members tracked down in the East, eight have been convicted and sentenced to serve up to 13 years in jail for their roles in plotting murders and kidnappings. Two were freed because of the statute of limitation on their crimes.

Several women who sought shelter in the East were considered architects of some of the most spectacular attacks. Susanne Albrecht was sought for her role in the 1977 slaying of Juergen Ponto, chairman of Dresdner Bank in Frankfurt. Silke Maier-Witt and Monika Helbing were wanted in connection with the kidnapping and killing in the same year of Hanns-Martin Schleyer, the head of West Germany's employers' federation.

West German authorities were persuaded that many fugitive suspects had found refuge in Libya or Lebanon. East German agents planted photographs showing them in such settings.

Ms. Albrecht was given a false identity in 1980 and employed as a laboratory technician in Cottbus. She married and had a child with an East German scientist who never was informed about her past.

Ms. Maier-Witt worked in Erfurt as a nurse until 1986, when an East German who fled to the West reported her to the police. The Stasi quickly destroyed any evidence of her presence in Erfurt, even taking pains to eliminate fingerprint traces in her apartment. Doctors at one of East German's best hospitals performed a nose operation to change her appearance. She was given a new identity and a job in the town of Neubrandenburg.

DENG: *Leader Who Transformed China After Mao Era Dies*

Continued from Page 1

held the balance between radical and moderate reformers. He tilted the balance in late January 1992 when he emerged in South China from months in seclusion and urged the party leadership to "speed up the pace" of economic change and boldly absorb the most advanced elements of capitalism.

But Mr. Deng was a hard-liner in politics. A diminutive, blunt man of action and a survivor of war and two periods of disgrace under Mao, Mr. Deng strongly defended the Chinese Communist Party's monopoly on power. He led several crackdowns on dissidents over the years, arguing that Western-style democracy would lead to chaos.

In contrast with the isolationism of his predecessor, Mao, however, Mr. Deng championed an "open door" policy toward the capitalist nations of the West, welcoming foreign trade and investment to energize the Chinese economy. While cautioning against the "worship" of capitalism, Mr. Deng argued that China could achieve its goal of modernization only by adopting new technologies from the West.

Mr. Deng opened diplomatic relations with the United States, concluded a peace treaty with Japan, and oversaw an agreement with Britain for Hong Kong's return to Chinese control in 1997.

Mr. Deng's greatest success was in China's countryside, where 7 of 10 Chinese live. In the late 1970s, Mr. Deng and his reformist allies loosened central controls, broke up farm communes, allowed a renewal of family farming, and gave farmers a chance to sell their produce on free markets. Agricultural output tripled as a result.

But Mr. Deng's moves encountered heavy resistance in the cities, where Communist Party bureaucrats and some factory workers held guaranteed lifetime jobs. They resented moves to eliminate unprofitable factories and fire their bloated work forces.

A major failure was Mr. Deng's inability to achieve a price reform. In 1988, Mr. Deng impulsively proposed such a reform, prompting panic buying and accelerated inflation, and was forced to drop the proposal.

But officials with access to raw materials could easily manipulate the half-reformed pricing system for profit. The resulting corruption, together with the inflation, was a source of dissatisfaction and unrest and one of the causes of the 1989 protests at Tiananmen Square.

Deng Xiaoping, born Aug. 22, 1904, was the eldest son of a landlord who owned about 25 acres of land, a huge piece of land compared with the average plot Chinese peasants farm today. When foreign journalists were given permission in 1985 to visit Mr. Deng's old home in Sichuan Province, they found a large 16-room farmhouse with stucco walls sitting among rice paddies and tall bamboo.

In 1920, at age 16, Mr. Deng traveled to France for a work-study program. During a five-year stay in France, he worked in shoe and automobile factories and joined a branch of the Chinese Communist Youth League organized by Zhou Enlai, Mr. Deng's mentor and the future prime minister of China. Mr. Deng helped to edit a Communist youth magazine and because of the many mimeographed tracts he produced he became known as the "doctor of duplication."

Back in China in 1926 after a brief period of study in Moscow, Mr. Deng taught in a military academy, worked in the Communist Party underground in Shanghai, and later helped to organize the Communist strategy of using rural guerrillas in a protracted struggle rather than urban forces to fight the Nationalist Chinese.

Opponents in the Communist leadership at first overruled Mao on the strategy, accusing him and Mr. Deng of defeatism. But Nationalist attacks forced the Communists to halt their internal battles and organize the famous Long March to the northwest of China in 1934-35. The march across China confirmed Mao's leadership and raised Mr. Deng to a position as a high-level political commissar in the Red Army. During that period, Mr. Deng became a close confidant of Mao.

Mr. Deng's troops fought the Japanese from 1937 to 1945 and the Nationalists from 1945 until 1949 in one of history's deadliest civil wars. In 1948-49, Mr. Deng helped to organize a military campaign which contributed heavily to the Communists' victory over the Nationalists.

In 1952, Mr. Deng was appointed a vice prime minister and by 1956, he was one of the Communist Party's top leaders. Mr. Deng traveled to Moscow in that year and heard Nikita Khrushchev's famous denunciation of Stalin but disapproved of Khrushchev's de-Stalinization campaign. In 1959, he emerged as a forceful critic of the Soviet Union and in 1960 led the Chinese attack on Mr. Khrushchev at a meeting in Moscow of the world communist parties.

After China's disastrous Great Leap Forward, an ill-planned attempt to accelerate industrialization that resulted in one of history's worst famines and the deaths of 20 million Chinese, Mr. Deng and Mao's designated successor, Liu Shaoqi, attempted to restore the economy through pragmatic policies that foreshadowed the economic reforms initiated by Mr. Deng more than a decade later. But Mao believed that Mr. Deng and Mr. Liu were undermining his plans for collectivization of agriculture.

In 1966, as he launched the "Great Cultural Revolution," an upheaval which pitted radical Red Guards against the party hierarchy, Mao ousted Mr. Deng and Mr. Liu from power, and Mr. Deng was forced to confess that he had adopted the "capitalist reactionary line."

Mao complained that for several years Mr. Deng never consulted him and deliberately sat far from Mao at meetings with his deaf right ear turned toward the chairman. Indeed, their long association seemed to carry with it some bitterness. In later years, while praising Mao for his role in founding the People's Republic of China, Mr. Deng criticized Mao as having a leadership style he considered feudal, patriarchal, and out of touch with reality.

For his part, Mao seemed at times to admire Mr. Deng and at times to mistrust him. In the 1960s, as if in warning, Mao drew Mr. Khrushchev's attention to Mr. Deng: "See that little man over there?" said Mao. "He is highly intelligent."

In 1966, Mr. Deng was purged from power for seven years. From 1969 to 1973, he lived through some of his worst moments, though he was spared the severe punishment handed to Mr. Liu, who died a sick and broken man in 1969 after he was refused medical aid. Mr. Deng was forced for more than two years to live in exile from Beijing in the south of China in an abandoned two-story house under armed guard. He and his wife spent their mornings in a tractor factory, where Mr. Deng worked as a machine parts fitter.

In February 1973, Mr. Deng was called back to Beijing and reinstated as vice prime minister under Zhou Enlai. Mr. Zhou died in January 1976, and Mr. Deng gave the memorial speech. But the radical leaders known as the Gang of Four tried to suppress a popular outpouring of mourning for Mr. Zhou, removing wreaths laid in Tiananmen Square in his memory, and protests erupted. Mr. Deng was held responsible for the protests and, with Mao's acquiescence, dismissed from office.

In September 1976, Mao died. Within a month, members of the Gang of Four were themselves purged and arrested. In July 1977, Mr. Deng made his first public appearance since his second fall from power and was reinstated once again. He isolated Mao's designated successor, Hua Guofeng and, without formally removing him from office, eased him out of power.

By late 1978, Mr. Deng was able to tighten his grip on the party, government, and army. Back in power, Mr. Deng returned to the pragmatic ideas that had troubled Mao. He never relinquished his belief in Communist ideology but was less dogmatic than Mao.

"It doesn't matter whether a cat is black or white as long as it catches mice," Mr. Deng once said concerning agricultural production. It became one of his best-known comments.

Mr. Deng redefined Marxism to make productivity — not the class struggle Mao championed — the measure of success. He and his reformist colleagues abandoned the Stalinist, and Maoist, emphasis on heavy industry and placed more stress on decentralization and the development of agriculture and light industry.

In order for China to modernize, Mr. Deng advocated sending tens of thousands of Chinese students to study abroad, including more than 40,000 who are still studying in the United States.

Mr. Deng drew inspiration for his economic reforms not only from other communist states, such as Yugoslavia and Hungary, but also from the capitalistic "little dragons" of Asia, such as Taiwan, Singapore and South Korea.

He opened Special Economic Zones along the southern China coast, offering foreign investors lower tax rates than elsewhere in China and other concessions.

The result of Mr. Deng's opening to the outside world was widely considered a success for China, but the country also paid a price. Foreign investment was heavily concentrated in a few coastal and inland provinces. The transfer of new technologies to China which was supposed to come through the Special Economic Zones was limited for the most part to unsophisticated technologies. New forms of corruption emerged in these zones, with millions of dollars lost to land speculators and exporters illegally depositing their earnings overseas.

Mr. Deng believed in dealing harshly with criminals and launched a campaign in 1983, that, according to Amnesty International, the London-based human rights organization, led to tens of thousands of arrests and several thousand executions.

Mr. Deng supported China's "one couple, one child" birth control program, which succeeded in lowering birth rates. But critics said that the program involved widespread coercion and forced abortions.

Like some of the emperors before him, Mr. Deng believed that he could import Western skills and technology while rejecting Western political ideas. He believed that he could reform and decentralize the Chinese economy while maintaining centralized control over the political system.

His crackdown on democracy movements showed that he did not believe, as many young Chinese intellectuals did, that economic modernization had to be accompanied by political liberalization. In his view, the country would be plunged into anarchy if it allowed an alternative to one-party rule.

But Mr. Deng's opening to the West brought in new ideas and his reforms encouraged more independent thinking among students and other intellectuals, who inevitably demanded a more liberal, and less corrupt political system.

Although Mr. Deng was concerned about the corruption of entrenched Communist Party bureaucrats, he most feared disunity and chaos.

Mr. Deng apparently saw in the student protesters of 1989 a revival of the anarchy of the Cultural Revolution and a direct threat to Communist Party rule. It was Mr. Deng who decided that the Tiananmen student movement constituted "turmoil." From that moment on, a crackdown was inevitable.

Mr. Deng, in his reaction to this challenge, proved that he was more like Mao than many of his admirers in the West had come to believe he was. Mr. Deng was a man of many faces but his hard line toward popular political challenges remained consistent throughout his career.

Unlike Mao, Mr. Deng never allowed a cult of personality to develop around him. But he never attempted a complete dismantling of Mao's image, possibly because this would have led to a questioning of the Communist Party's leadership as a whole.

By the time of his death, Mr. Deng was one of a number of Communist Party elders who shared power in a kind of gerontocracy, overseeing the work of younger leaders.

He no longer held a seat in the Party Politburo but long exerted influence through his prestige and personal connections, including close ties with many of China's military leaders.

Reuters

Mao conferring with Mr. Deng in 1959 in Shandong Province, before the purge of his senior comrade. Mr. Deng later criticized Mao as feudal.

Albright Urges Smooth Transition

Reuters

LONDON — Secretary of State Madeleine Albright said here Wednesday that it would be a great advantage to China and to the rest of the world if there were a smooth transition of power in Beijing following the death of Deng Xiaoping.

Speaking after talks with the British foreign minister, Malcolm Rifkind, Mrs. Albright called Mr. Deng "a historic figure." Mr. Rifkind said he assumed there would be a short period of uncertainty in China until a new leader emerged but that he hoped the reform process would then soon regain speed.

Mrs. Albright said officials were consulting with Beijing to determine whether it was still convenient for her to visit China next week, as scheduled.

In Boston, President Bill Clinton said he was saddened to learn of Mr. Deng's death, calling the Chinese leader an "extraordinary figure on the world stage over the past two decades."

U.S. officials added that the death would probably have little effect on the functioning of China.

EUROPE: *Rifkind Speaks Out*

Continued from Page 1

issue ahead of general elections.

Britain's finance minister, Kenneth Clarke, said Mr. Rifkind had made "a slip of the tongue." But Mr. Rifkind, just hours later, stood by his comment, delighting so-called Euroskeptics in the ruling party.

"On balance we are hostile to a single currency, but we accept you have to think very carefully about these matters before you rule them out completely," said Mr. Rifkind, who has become steadily more Euroskeptic in recent months. He later passed up an opportunity to calm the controversy by saying he did not regret using the word "hostile."

"I don't regret it because, in the context in which I was using it, it made sense and it was consistent with what the government's policy is," he said.

In arguing against further European political integration, Mr. Rifkind also called on EU leaders to come out and say more specifically what kind of Europe they wanted.

He said that while Britain believed clearly in a Europe of nation states, not a federal superstate, there was much ambiguity among other European leaders regarding their visions for the Europe of the future.

Mr. Rifkind acknowledged that European leaders such as Mr. Kohl had said they did not foresee a federal Europe, but he asked what the difference was between that concept and "the kind of ever-closer union they are simultaneously advocating."

"How far down the road of integration do leaders in Germany and elsewhere think Europe should go?" he asked. "The problem with what is proposed is that, in almost every case, it means taking power away from institutions which are more legitimate, and giving it to institutions which are less legitimate."

Mr. Rifkind warned that a system of decisions by majority vote would impose policies on governments and parliaments for which they had no popular mandate. "Every time a majority vote is taken, a democratically elected government is somewhere overruled," he said.

Mr. Rifkind said debate in the current intergovernmental conference on the future of the European Union should focus on the next 20 or 30 years, not just the next few weeks. *(Reuters, AP)*

Galileo to Get a Close Look for Life, if Any, on a Jupiter Moon

The Associated Press

LOS ANGELES — Scientists who believe there may be life on Jupiter's moon Europa will get their closest look yet at its icy surface when the unmanned Galileo spacecraft passes nearby Thursday.

Europa, with an ocean that could be 60 miles (100 kilometers) deep, appears to have a fractured crust of icy slabs that may be sliding on a warmer layer of slush or water. If true, that would give Europa two ingredients essential for life: water and a source of internal heat.

The spacecraft will come within 360 miles of Europa on Thursday morning, said William O'Neil, the Galileo project manager at NASA's Jet Propulsion Laboratory in Pasadena.

"Everything is working just right," Mr. O'Neil said, noting that a glitch-prone onboard tape recorder was operating properly. During a Dec. 19 encounter with Europa, the tape recorder that stores data from Galileo's scientific instruments blacked out about 35 hours before it was to have begun recording. Aggressive work from the ground brought it back a little more than an hour before it was needed.

During this pass by Jupiter, Galileo will also record information on two small moons, Amalthea, which is about 100 miles across, and Thebe, which is about 25 miles across.

The spacecraft will also monitor the plumes of gas from the volcanic moon Io, examine Jupiter's rings and observe a white oval storm just above its surface.

The playback of the recorded images will begin Saturday. The first images will emerge from the computer on Monday.

MEXICO: *Nation's Drug Agency Chief Is Fired and Arrested*

Continued from Page 1

General Gutierrez was handpicked by Mr. Zedillo to be narcotics coordinator, according to a presidential aide. Mr. Zedillo was impressed with the general's work in dismantling the operations of a notorious narcotics trafficker based in the Guadalajara region, Hector Luis Palma.

But Mr. Cervantes, the defense minister, asserted that General Gutierrez had vigorously pursued some drug cartels at the same time as he "consciously and deliberately served the interests" of the cartel run by Mr. Carrillo Fuentes.

Military investigators were tipped off to General Gutierrez's links to the Carrillo Fuentes gang after he was appointed drug coordinator and moved into a "sumptuous" apartment in Mexico City that appeared to be beyond his means as a military officer and civil servant.

The investigators discovered that the apartment was provided to the general by a trafficker named Eduardo Gonzalez Quirate, who was described by the defense minister as the "lieutenant" of Mr. Carrillo Fuentes.

Mr. Gonzalez was said to have lived in the apartment until November 1993 when he was forced to abandon it after a shoot-out nearby between the police and members of the Carrillo Fuentes organization.

The officials said an arrest warrant is also being issued for Horacio Montenegro Ortiz, a former intelligence captain who was expelled from the army for suspected links to drug traffickers but was hired anyway by General Gutierrez to be his deputy in the drug institute.

Another aide to General Gutierrez, Javier Garcia Hernandez, also faces arrest, Mr. Madrazo said.

In a statement, Mr. Zedillo said Tuesday's actions "confirm our unshakable determination to pursue and punish drug trafficking and combat corruption."

General Gutierrez is the third of Mexico's recent national drug coordinators to have been tied to payments from traffickers.

Javier Coello Trejo, a deputy attorney general who served in 1989 and 1990 as President Carlos Salinas de Gortari's first drug czar, was said in sworn testimony in a 1994 federal narcotics trial in Texas to have received huge payments from a trafficker, Juan Garcia Abrego. And Mario Ruiz Massieu, who coordinated the country's drug program in 1993 and 1994, has been accused by federal prosecutors in Texas of accepting narcotics money after his aide ferried $9 million cash to Houston in suitcases.

'Larry Flynt' Posters Stir Anger in France

By Barry James
International Herald Tribune

PARIS — A movie poster showing a man nearly nude in a position suggesting crucifixion superimposed on the body of a woman was banned Wednesday in Versailles and was under legal attack in the rest of the France by outraged Catholics.

But the Roman Catholic bishops said they would not get involved in the dispute because, in the words of a spokesman, "there are better things to do."

Bishop Louis-Marie Bille said that if the church protested the poster advertising the movie "The People vs. Larry Flynt," it would weaken its credibility on more serious issues.

Catholic sources said the bishops may have been deterred from getting involved in this issue because some of those bringing complaints against the poster were believed to be associated with a far-right group, and the church would not wish to be officially associated with them at a time when the extremist National Front has just scored an important election victory.

Previous cases of alleged insults against religion have touched off serious clashes in France involving rightist youths, who in 1988 attacked or firebombed movie theaters showing "The Last Temptation of Christ" and a French film about abortion. The church complained a few years ago when posters appeared during Lent advertising a movie about a homosexual priest.

Columbia Pictures, the distributor, said the poster was chosen by the director, Milos Forman, because it symbolized the fate of the pornographer Larry Flynt, who was "crucified for his ideas." Although the poster was not used in the United States, Columbia said it received authorization to display it in France from the Ministry of Culture.

The lawyer representing those seeking to have the poster banned said it was a particular affront to Christians during Lent.

Mr. Flynt, who was paralyzed in a shooting attack, is the publisher of Hustler magazine.

INTERNATIONAL

Zaire, in Arming the Hutu, Is Making Human Shields of the Refugees

By Howard W. French
New York Times Service

ABIDJAN, Ivory Coast — The Zairian government has stepped up a campaign to arm Hutu guerrillas living among the largest population of Rwandan refugees still in Zaire, effectively making human shields of tens of thousands of refugees, according to diplomats and international relief workers.

Diplomats and aid workers say that, in recent days, so many weapons have been flown into the Tingi-Tingi camp that they have interrupted relief shipments. The camp, 200 kilometers southwest of Zaire's third-largest city, Kisangani, is a jungle village that has swelled to 150,000 people as Rwandan Hutu fleeing the fighting in the east flocked there.

The arming of Hutu refugees also threatens to set off another wave of ethnic killings as Zaire's embattled government enlists Hutu to fight an advancing rebel army led mostly by Tutsi. And it poses uncomfortable questions for aid workers who must decide whether they can safely stay in the camp to help refugees, many of whom are implicated in previous massacres of Tutsi.

According to an internal UN report on the situation at Tingi-Tingi, "arms, uniforms, and munitions are being supplied daily in the camp itself." The report went on to describe a "well-defined area at the eastern edge of the landing strip" that is being used as an armory by the Zairian Army and its Hutu allies.

On Friday, the UN secretary-general, Kofi Annan of Ghana, called upon the Zaire to end the militarization of the Tingi-Tingi camp, which he said "is endangering the lives of innocent refugees and humanitarian workers."

Zairian officials denied the reports and bitterly attacked the United Nations for failing to repatriate Rwandan Hutu populations earlier. However, military authorities in Kisangani told the UN High Commissioner for Refugees that "efforts would be made to stop military activity in the camp."

The rebels are less than 65 kilometers from the Tingi-Tingi camp, and have threatened to attack the settlement in coming days unless the Zairian government or the international community disarms Hutu fighters there.

Zaire's war began in late October as a rebellion by ethnic Tutsi, who had been stripped of their Zairian citizenship by the government in Kinshasa despite having lived in Zaire for several generations.

Diplomats say that Rwanda, and later Uganda and Burundi, supported the rebels, whose first mission appeared to be forcing armed Hutu refugees away from the Zairian border region, from where they had attacked Rwanda.

Journalists who visited the Tingi-Tingi camp last week were able to observe the unloading of what appeared to be crates of ammunition and mortar rounds from an old, chartered transport plane by Hutu refugees. Relief workers also told of a forbidden area at the edge of the camp that is said to be a Hutu training ground.

The relief planes, 50-year-old South African-owned DC-3s that land on a narrow highway that runs through the settlement, are chartered by the Zairian Army and humanitarian groups alike. In recent days, as the armament effort has accelerated, aid workers have complained that their flights to the camp have been repeatedly delayed.

To prevent the flights from landing at moments of intense military activity, diplomats say that militia members and Zairian soldiers guarding the camp have parked vehicles on the landing strip, moving them only when they have finished their work.

On Monday, aid workers reported that relief flights were blocked altogether when the Zairian government moved portable aviation refueling equipment from Kisangani to the eastern city of Kindu, where it was used by Zairian jets flying bombing runs over the rebel-controlled border city of Bukavu.

Relief officials say that 30 to 50 people have been dying each day in Tingi-Tingi, which in recent weeks has only been receiving about one-third of the 100 tons of food a day needed to feed the population there. That shortfall stems partly from the arms shipments, but also from a debate among international relief agencies over how many Hutu refugees were in the forests of east-central Zaire.

For many here, the situation at the Tingi-Tingi camp recalls the scenes at the start of the fighting in Zaire, when rebels shelled a huge UN-run refugee camp in the eastern city of Goma, where Hutu fighters lived alongside a large population of Rwandan Hutu refugees.

The Hutu population, which included thousands of former members of the Rwandan Army and Hutu militias who were responsible for the 1994 massacres of hundreds of thousands of Tutsi, fled. While most have since returned to Rwanda, as many as 300,000 Hutu refugees, perhaps still including several thousand guerrillas, remain in Zaire.

As they fled Goma and other parts of eastern Zaire, diplomats and relief officials say that the Zairian Army repeatedly armed Hutu refugees in the hope that they would stop the westward progress of the rebels.

Once again, in Tingi-Tingi, diplomats and international aid workers say that Zaire is arming the Hutu, who are using other refugees as human shields to prevent an attack by the advancing rebels.

"You just know that a lot of the people you are helping are people who have killed and will go out and kill again," a relief worker at Tingi-Tingi said. "At the same time, you look at these people, and so many of them are just desperate. Don't we have an obligation to help them?"

BOOKS

GRAND TOURS AND COOK'S TOURS: A History of Leisure Travel, 1750 to 1915

By Lynne Withey. 401 pages. $30. Morrow.

Reviewed by Alan Ryan

ARTHUR FROMMER changed my life. In 1966, against all advice and armed only with a copy of his "Burope on $5 a Day" and a little cash, I set off on my own three-month grand tour. I'm certain now that my first breath of jet-fuel-scented Heathrow air was no more intoxicating to me than the smells of Calais or Ostende were to travelers in the last century. But it was Thomas Cook who changed their lives, delivering them to the Continent thoroughly booked and bevouchered.

Cook, like Frommer in our time, changed human history. Until the middle of the 19th century, when he recognized and expanded the possibilities of a business he had actually started as a sideline, travel had been the exclusive pleasure of the rich.

The history of that change — from the lengthy and expensive grand tour made by scions of the British upper classes to the shorter and cheaper group trips arranged by Cook and others — is the subject of Lynne Withey's informative and highly readable "Grand Tours and Cook's Tours: A History of Leisure Travel, 1750 to 1915." Setting sensible limits on a huge and amorphous mass of information, Withey omits explorers and business travelers from her tale, and she deals wisely and briefly with the tiresome distinction some writers still want to make between "traveler" and "tourist."

The 18th-century grand tour was mainly educational (not excluding sex education — one stop, Venice, was considered "the brothel of Europe"), and "the appearance of a gentleman" was required for admission to Versailles — if you lacked the necessary sword, however, one could be rented on the spot. Withey makes good use of travel narratives by Boswell, Smollett, Goethe, William Beckford, Arthur Young and many others to illustrate the delights, the dangers, and, all too often, the disappointments of foreign travel. Changing tastes in art and literature were both cause and effect of changing attitudes. Withey demonstrates how an early view of mountains as ominous and unattractive gave way to a search for picturesque landscapes and "complaints about overcrowding and desecration of pristine scenery." Tourists, it seems, have always and everywhere resented other tourists.

Withey's range of relevant subjects is immense, and she deals gracefully with such topics as the Englishman abroad, the importance of roads built by Napoleon, the growing prosperity of the working class, the blurring of social distinctions in travel, the earliest guidebooks by John Murray and Karl Baedeker, the new habit of dining in public restaurants, the growing view of travel as "escape," the increasing popularity of travel among women, the expansion of railroads, and the ways in which easier and more comfortable travel robbed the experience of its "foreignness."

A parade of colorful characters moves through the story: Thomas Cook, W.H. Smith, George Pullman, Cesar Ritz, Auguste Escoffier, and many others. And there are the sights themselves, of course, as well as hotels, from the Pera Palace in Constantinople and Shepheard's in Cairo to the Catskill Mountain House.

Less successful are a section on Switzerland (of interest mainly to readers of a mountain-climbing inclination) and a wearyingly long closing chapter on the development of the American West. There are some odd omissions, too, such as Francis Calton's 1855 "The Art of Travel," which, for four decades, gave advice on everything from the correct way to roll up shirt sleeves to the "management of savages." And a history of foreign travel in Mexico, totally ignored here, would have been livelier and more relevant than the lengthy and familiar story of U.S. railroads.

Still, the broad subject of travel touches every field of human effort and a dizzying spectrum of attitudes and aspirations. Overall, Withey does a wonderful job of marshaling all this data into a lively and revealing story of why and how people traveled in the past and the ways in which, just like us, they have gawked at, been puzzled by, have condemned, and, occasionally, have praised the places and people they met.

Alan Ryan, whose latest "Reader's Companion" volumes, on Cuba and Alaska, will be published in April, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

HALF a century ago, a player who picked up the North hand shown in the diagram would have no trouble after his partner bid one spade. He would bid three spades, promising four-card spade support and the values for the game.

But in the modern style, three spades would simply invite game and the North hand is slightly too good. He needs a substitute for a forcing raise, which may be two no-trump.

If not discussed this with his partner he is in trouble, and may have to temporize by bidding a minor suit.

Two clubs was the curious choice in a duplicate game in Manhattan. It left South in the dark, but offered some hope of inhibiting a club lead.

South pushed on aggressively when his partner raised to four spades on the next round, bidding Blackwood en route to slam. Since he would have been in difficulty if his partner had shown one ace, a minor-suit cue-bid would have been a better choice on the third round.

As it turned out, North's two-club bid did the trick, since it would have taken a club lead to defeat the slam. West's passive trump lead was a curious choice, but the obvious lead of the diamond king would have been no better.

South won the first trick in his hand and immediately finessed the heart jack successfully. So far, so good. He then cashed two heart winners, discarding a diamond, not a club.

Next, he played the diamond ace and surrendered a diamond. He could not be prevented from ruffing a diamond high in his hand, drawing trumps, and throwing his club loser on dummy's established diamond.

The combination of the heart finesse and the even diamond split gave North-South a lucky slam. Unsurprisingly, nobody else bid it.

NORTH
♠ A 10 9 5
♡ A K J
◇ 9 7 5 3
♣ 8 4

WEST
♠ 7 6 3
♡ Q 10 6
◇ K Q 4
♣ K Q 7 5

EAST
♠ —
♡ 9 8 4 3 2
◇ J 10 8
♣ J 10 9 8 3

SOUTH (D)
♠ K Q J 8 4 2
♡ 7 5
◇ A 6 2
♣ A 2

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♠	Pass	2 ♣	Pass
2 ♠	Pass	4 ♠	Pass
4 N.T.	Pass	5 ♡	Pass
6 ♠	Pass	Pass	Pass

West led the spade seven.

BRIEFLY

Two Hutu Plead Not Guilty

ARUSHA, Tanzania — Two men accused of playing a major role in the slaughter of more than 500,000 civilians during Rwanda's 1994 civil war pleaded not guilty Wednesday to charges of inciting genocide and crimes against humanity.

Anatole Nsengiyumva, 46, who was commander of military operations in the northwestern Gisenyi region during the three-month war, and Ferdinand Nahimana, also 46, who was one of the founders of the notorious Radio Mille Collines, appeared before the International Criminal Tribunal for Rwanda here.

Mr. Nsengiyumva, who was a lieutenant colonel in the Hutu army, was accused of killing a Tutsi with a machete and urging soldiers and militiamen to kill Tutsi.

Mr. Nahimana was accused of using Radio Mille Collines to incite Hutu to kill Tutsi. *(AFP)*

Sudan General Said to Switch

CAIRO — The Sudanese opposition said Wednesday that a Sudanese general and some of his men had joined the rebel forces in their fight against the fundamentalist Muslim government.

"We welcome Major General Ali Seddique, commander of the second infantry brigade," the opposition National Democratic Alliance said.

The opposition group said the general defected Tuesday near the town of Khashm el Girba, 400 kilometers (250 miles) east of Khartoum. It did not say how many soldiers defected with him.

In January, the alliance began an offensive along Sudan's eastern borders in hopes of provoking a popular uprising in Khartoum. The fighting appears to have reached a stalemate, with the rebels holding at least two towns close to the Ethiopian border. *(Reuters)*

Tupac Rebels Lower Sights

JUNIN, Peru — A senior leader of Peru's Marxist rebel movement, which is holding 72 hostages in Lima, said the group considered it unlikely that the government would meet its demand to release all its jailed members.

In an interview earlier this week at a secret jungle location, the group, the Tupac Amaru Revolutionary Movement, said publicly for the first time its takeover of the Japanese ambassador's home Dec. 17 would probably not achieve its objective.

"I do not think all of the 400-plus are going to get out," said a man who identified himself as Comrade Alejandro, a member of the group's high command.

He said the group was prepared to negotiate how many comrades should be freed. *(Reuters)*

47 Found Dead in Peru Mud

CUZCO, Peru — Rescue workers dug through mud Wednesday looking for at least 150 villagers feared buried after an Andean mountainside collapsed in heavy rain and swept away two villages.

Officials said 47 bodies had already been found after the villages of Ccocha and Pumaranra in eastern Peru were buried early Tuesday. *(Reuters)*

Issouf Sanogo/Agence France-Presse

OFF TO LIBERIA — A Ghanaian soldier, one of 300 leaving Accra to join peacekeeping forces in Liberia, with two of the 200 American servicemen who are providing transportation and logistical support.

Mandela Proposes Talks for Zaire Foes

Reuters

KINSHASA, Zaire — African foreign ministers visited Zaire on a peace mission Wednesday, and President Nelson Mandela of South Africa said he would be host to a meeting between the warring parties.

South Africa's foreign minister, Alfred Nzo, was among four African ministers visiting Kinshasa, but there was no immediate Zairian government confirmation of any meeting. The other three foreign ministers were from Tanzania, Zimbabwe and Kenya.

Representatives of the two sides have made a request that they would like to meet in South Africa, Mr. Mandela said in Cape Town, "to be able to discuss their problems."

He said South Africa would send air transport to pick up Zaire's rebel leader, Laurent Kabila, at Kigali, the capital of Rwanda. He said he hoped the talks could take place Thursday.

Zaire has repeatedly rejected talks with Mr. Kabila, dismissing him as a puppet of Rwanda, Uganda and Burundi, which it accuses of invading in support of the rebels. All three deny the allegation.

Earlier, Zaire criticized as too "timid" a UN Security Council resolution calling for a truce in the civil war. Zaire said the resolution should have condemned aggressors in the conflict.

Foreign Minister Kamanda wa Kamanda also said there could be no truce without a withdrawal of all foreign troops.

Tuesday's Security Council call was part of a five-point UN peace plan. It followed a request from a UN special envoy, Mohammed Sahnoun, who left Kinshasa for Rwanda on Wednesday.

Rwanda dismissed the resolution as "absurd," saying it did not take account of rebel views.

Ethnic Tutsi, known as Banyamulenge, took up arms in October, accusing the Zaire authorities of denying them nationality and of seeking to expel them to Rwanda, their ancestral home. They hold towns and territory along the border with Rwanda, Burundi and Uganda.

Zaire, which launched a counteroffensive on Jan. 20, opened a new phase of the war Monday by bombing rebel-held towns in the east. Relief workers said at least 19 people were killed in two days of air raids.

The UN plan envisages an immediate cease-fire, withdrawal of all foreign forces, including mercenaries and respect for the territorial integrity of Zaire.

Mr. Kamanda said that the resolution did not specify how the withdrawal of foreign troops would be accomplished or monitored. "If the foreign troops do not pull out, we consider that there is no cessation of hostilities," he added.

The plans also called for protection of refugees and displaced persons and a peaceful settlement of the crisis through dialogue, elections and the convening of an international conference on peace, security and development.

The secretary-general of the Organization of African Unity, Salim Ahmed Salim, himself expected in Kinshasa, said during a visit to Cameroon that the OAU might organize a summit meeting on the conflict.

"We feel very strongly that every effort must be made to contain the situation and find a solution," he said.

Algeria Adopts Proportional Representation

Agence France-Presse

ALGIERS — Algeria's interim parliament approved a new electoral law Wednesday, replacing the majority voting system with proportional representation before legislative elections slated for later this year, officials said.

The new law replaces the 1990 electoral code, under which the Islamic Salvation Front made sweeping gains in the December 1991 elections.

It was approved a day after the interim parliament, the National Transition Council, approved another electoral law that banned the creation of political parties along religious lines. That legislation was in line with constitutional changes approved in a referendum last year.

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THE WORLD'S DAILY NEWSPAPER

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
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Starr Can't Just Leave

He Owes a Report

The last thing Whitewater independent counsel Kenneth Starr can want is to go down in the record books as the fellow who walked away from the enormous public responsibility of investigating a sitting president when the job was only half done. He is, or so it has seemed to us, too protective of his professional reputation to risk having such an asterisk after his name. That is why we find it hard to believe that he won't somehow wrap up his inquiry as to the president and, we would presume also, Mrs. Clinton, before moving on to become a dean at Pepperdine University this summer. No matter what he says to the contrary about the quality of the staff that he has assembled and will leave behind, he would be abandoning and to some extent stranding the inquiry were he to do otherwise.

Before he leaves, it seems to us he has an obligation to make and announce a decision as to whether the Clintons, in the manifold matters under his jurisdiction, have committed any offense(s) for which they could be charged. He needs as well to make some kind of report, laying out his view of those matters. What is the evidence as to what happened? Who did what? Such reports are expected of independent counsels, above all in cases where charges are not brought. They help to clarify, if not exactly to exonerate, and to put whatever the case may have been to rest.

It is especially important that Mr. Starr make such a report. Much was made of his credentials when he was named. He was not just independent but had been a rising star in two Republican administrations. Ronald Reagan had made him the youngest judge ever to serve on the U.S. Court of Appeals for the District of Columbia; George Bush then made him solicitor general, having also considered him for the Supreme Court. The whole idea of the independent counsel act is to avoid the conflict of interest that can occur when an administration is investigating the conduct of one of its own high officials. Surely Mr. Starr would provide the kind of careful scrubbing that the law intends; he would follow the evidence wherever it led. So it was said, and he seemed rather to enjoy what you might call the notoriety. Now, one way or the other, he has the obligation to deliver on that promise.

Whitewater began with the question: Were the Clintons witting participants in the looting of a failed federally insured Arkansas savings and loan for either their personal or his political benefit prior to his election as president? Mr. Starr cast a somewhat broader net than that, involving, among much else, whether there were efforts to obstruct assorted Whitewater inquiries after Mr. Clinton became president. He has caught some lesser though by no means minor fish and has been squeezing them. Lately he and his staff have been exploring the evidence that they do and don't have with regard to the Clintons.

The rest of the complicated case, while hardly unimportant or uninformative, has been incidental. What Mr. Starr owes, before he goes anywhere, is a report on the propriety of the president's own behavior. That is the subject he was hired to address.

—THE WASHINGTON POST.

Hold On a Minute

Kenneth Starr's decision to leave his post as independent counsel in the Whitewater affair by August reflects a selfish indifference to his important civic obligations. Mr. Starr is not investigating some obscure town commissioner. The matters he has been asked to look into involve a sitting president of the United States, the first lady and a score of senior officials.

This is unquestionably one of the most important prosecutorial jobs in the country right now, and Mr. Starr should not have taken it unless he were willing to see it through. The White House took his decision as a happy sign that neither President Bill Clinton nor his wife will face any charges. For his part, Mr. Starr told reporters that his departure would have little impact and that it would be unwise to draw inferences about future indictments.

The fact is that nobody really knows what the consequences will be. What we do know, however, is that the investigation has reached a sensitive stage. In recent weeks, for example, James McDougal, the Clintons' partner in the Whitewater real estate venture, has reportedly reversed his testimony and told investigators that Mr. Clinton helped arrange for an improper loan, part of which was used to shore up his Whitewater investment.

Yet Mr. Starr is behaving as if he had no greater responsibility than to tend to his career. He did not even have the good manners to break the news himself. Congress and a public that had been relying on him to get to the bottom of the Whitewater mess were told of his plans in a press release and follow-up statements from Pepperdine University in Malibu, California, where he will become dean of the law and public policy school next fall.

This is only the latest sign that Mr. Starr has never fully appreciated the gravity of his role. Despite criticism, he continued his high-profile, politically tinged private law practice, thus shaking confidence in his dedication.

Many questions may still be unresolved when Mr. Starr leaves on Aug. 1. But even if the investigation is largely wrapped up by then, the announcement itself has to be disrupting to his team, since their leader, emotionally if not physically, has one foot out the door. In addition, recalcitrant witnesses, learning that he is getting ready to leave, may feel less pressure to cooperate.

Mr. Starr should reconsider his departure. No one forced him to take the job of independent counsel. Having taken it, he has an obligation not to bail out prematurely. When all is done, there should be no room for questions that the investigation was somehow truncated, or that hard choices were ducked, because of his race for the exit.

—THE NEW YORK TIMES.

Better to Speak Softly

It is fair to ask, as some Republican lawmakers do, how the new treaty banning chemical weapons will deter the likes of Iraq, Iran or Libya, flagrant international scofflaws all. But it is unwise for these lawmakers to compel the president, as a condition of their ratification of the treaty, to threaten nuclear retaliation against chemical attack on American troops. Nor should President Bill Clinton be accepting any restraints, even implied ones, certainly not legislated ones, on his authority as the commander in chief of all American forces.

It is not that a rogue state or terrorist should be free to use nerve gas against Americans with impunity. Obviously, this is not so. But the American position has been that a chemical malefactor would be liable to the whole range of retaliatory weapons in the U.S. inventory, and that is a sufficiently precise and comprehensive prospect to make deterrence real.

Deterrence finally proceeds, after all, not from a set of words forced out of one political branch of government by the other in a tense treaty-ratification endgame. Rather it arises from the projection at one end and the perception at the other end of an overall determination to protect American interests. It is simply not possible — it is dangerous to try — to predict the particular elements that would shape responses in a given chemical-attack situation. There is no good reason and no practical way to bind a president to a specific policy.

The Republican senators whose anxieties are driving the call to lean toward nuclear response are charging rudely into a realm of policy — the conditions of nuclear use — that experience shows requires great subtlety. The immediate focus of attention in Washington may be on ensuring that American troops are not left exposed to chemical attack. But the larger and continuing purpose must be to serve the overwhelming American interest in nuclear nonproliferation, specifically, to avoid setting an explicit precedent of nuclear utility and of first nuclear use that others might then apply to justify the nuclear program or doctrine of their choice.

As always, there has been a certain gap between maintaining robust deterrence and avoiding setting a provocative nuclear example. It is best treated by carrying a stick but speaking softly.

—THE WASHINGTON POST.

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Beyond the Market, a Different Kind of Equity

By Peter D. Sutherland

WASHINGTON — The greatest economic challenge facing the world is the need to create an international system that not only maximizes global growth but also achieves a greater measure of equity, a system that both integrates emerging economic powers and assists currently marginalized countries in their efforts to participate in worldwide economic expansion.

In the midst of today's global political and economic revolution, national governments alone simply cannot cope with the challenges presented by a borderless economic system. The most important means available to secure peace and prosperity into the future is to develop effective multilateral approaches and institutions.

For a millennium, Europe and the United States have dominated the world economically, but this predominance is coming to an end. The past two decades have been a period of spectacular economic advance. Within the next 15 years we may well see three developing countries among the world's six largest economies.

However, other countries, especially in Africa, have experienced unprecedented decline. The world has become more and more polarized as the gulf between rich and poor has widened.

Some in the rich countries are made uncomfortable by the success of other nations. There is a sense of insecurity among those who feel that the radical changes taking place challenge our societies and our comforts.

After the collapse of ideological conflict between East and West, there has also been a disturbing tendency to look upon the widening gap between rich and poor with indifference. Some even see the reduction in support for the poor and the increase in earnings of the wealthy as a positive encouragement for economic growth.

There are those who oppose redistribution policies in principle, whether in the domestic or the international context. This is wrong. It is morally wrong, it is pragmatically wrong, and we ought not be ashamed to say so.

I have been personally and deeply committed to promoting the market system through my entire career. Yet it is quite obvious to me that the market will never provide all of the answers to the problems of poverty and inequality.

The fact is that there are those who will not be able to develop their economies simply because market access has been provided. I do not believe that we in the global community will adequately live up to our responsibility if we have done no more than provide the poorest people and the poorest countries with an opportunity to succeed. We must also provide them with a foundation from which they have a reasonable chance of seizing that opportunity — decent health care, primary education, basic infrastructure.

We have an opportunity that mankind has never had before: to develop relationships based on something more morally acceptable than alliances born of fear of a common threat, and to fashion structures that enable us to live and grow together.

New creativity and strong leadership in the way we approach the global economy is urgent. The existing forums for the development of global economic policy initiatives are inadequate. The perspectives of the Group of Seven and the OECD do not represent the world economic community. Their capacity to set and pursue global economic objectives or provide direction, while undoubtedly important, is limited.

We have, in short, a structural deficit in the world economy, in terms both of the making of policies and of their execution. The structures for coordination of international economic issues at the highest political level must be revised. Most importantly, they must be representative enough to command the necessary consensus for effective action.

No new bureaucracy is needed. The existing institutions — the IMF, the World Bank, the World Trade Organization, the OECD — have the leadership and the capacity to meet the world's need for greater coherence and greater representation in global economic policy-making.

But to do so, they require the full support of their membership. This means, in the first instance, providing resources. The lamentable practice in recent years of the most powerful nations on earth squabbling over relatively small amounts of money needed to finance the institutions they created must be replaced with positive support.

Rich countries and poor countries should jointly apply their intellectual capacity to identifying new approaches to the problems of marginalization and development.

We have a shared responsibility for the well-being of the poor of this planet, and in our rapidly globalizing economy it is profoundly in our own interest to confront that responsibility aggressively. Part of the solution must lie with governments working more cooperatively together to support efficient, well-functioning international agencies.

The writer is chairman of Goldman Sachs International and also of the Overseas Development Council, a nonprofit international policy research institute based in Washington. He contributed this comment to the International Herald Tribune.

Don't Blame the World for Your Own Failures

By Paul Krugman

CAMBRIDGE, Massachusetts — Many observers seem determined to blame global markets for a host of economic and social ills, even when the facts point unmistakably to domestic — and usually political — causes.

For example, policy in France is paralyzed not by impersonal market forces but by the determination of its prestige-conscious politicians not to let the franc decline against the German mark. Britain, which has let the pound sink relative to the mark, has steadily reduced its unemployment rate.

The cause of France's paralysis is political rather than economic. And what about the United States?

Critics of the global economy invariably reply that America may be creating lots of jobs but that they are tenuous because of the prevalence of downsizing, which is a reaction to international competition (a line of reasoning that also provides a good excuse for companies undertaking layoffs).

Of course, international competition plays a role in some downsizings, but it is hardly the most important cause of the phenomenon. To my knowledge there are no Japanese keiretsu competing to carry my long-distance calls, or South Korean conglomerates offering me local service. Nor have many Americans started buying their home appliances at Mexican stores or smoking French cigarettes. I cannot fly Cathay Pacific from Boston to New York.

What explains this propensity to overstate the importance of global markets? In part, it sounds sophisticated. Pontificating about globalization is an easy way to get attention. But there is also a deeper cause — an odd sort of tacit agreement between the left and the right to pretend that exotic global forces are at work even when the real action is prosaically domestic.

Many on the left dislike the global marketplace because it epitomizes what they dislike about markets in general: the fact that nobody is in charge.

Meanwhile, many on the right use the rhetoric of globalization to argue that business can no longer be expected to meet any social obligations. It has become standard for opponents of environmental regulations to raise the banner of "competitiveness" and to warn that anything that raises costs for American businesses will price American goods out of world markets.

The overheated oratory encourages fatalism, a sense that we cannot come to grips with our problems because they are bigger than we are. Such fatalism is already well advanced in Western Europe, where the public speaks vaguely of the "economic horror" inflicted by world markets instead of turning a critical eye on the domestic leaders whose policies have failed.

None of the important constraints on American economic and social policy come from abroad. Americans have the resources to take far better care of their poor and unlucky than they do.

If policies have become increasingly mean-spirited, that is a political choice, not something imposed by anonymous forces. We cannot evade responsibility for our actions by claiming that global markets made us do it.

The writer, a professor of economics at the Massachusetts Institute of Technology, contributed this comment to The New York Times.

Watch Out for Commercial Fractures in America's Alliances

By William Pfaff

LONDON — The relation of the United States to its allies was for many years a win-win affair, as a games theorist would put it. America offered security, investment and trade, and received enhancement of its own security plus considerable economic advantage. The allies benefited most during the early postwar reconstruction years, and could complain only (as did France) that they were taken for granted politically.

Now the allied relationship is a great deal more complicated. There are elements in it of the zero-sum game. One player loses when another gains.

It is considered correct to cast a certain ideological veil over this, particularly where economics is concerned, competition and trade being held to produce ultimate good for losers as well as for winners.

It is not so simple as that. Losses are resented and resisted, with political consequences. Take aircraft.

Boeing has just bought McDonnell Douglas. In November the latter company was ruled out of the competition for what is supposed to become an enormous Pentagon contract to build a new-generation, all-service fighter-bomber, the Joint Strike Fighter. That decision by the U.S. government seemed to rule out a future for McDonnell Douglas as a major military aircraft producer, and the Pentagon oversaw the subsequent takeover by Boeing.

However, it was Airbus, the European airliner consortium, which really knocked McDonnell Douglas out of business as an independent company.

The Douglas part of McDD was once the world's dominant manufacturer of passenger planes (the DC-3 to DC-7 series). It lost first place when Boeing converted the Air Force KC-135/137 jet tanker into the first successful commercial jet airliner, the Boeing 707. Boeing then went on to become the world's leader in the field.

But McDonnell Douglas remained a player, producing commercial jets as well as military aircraft. It was looking for new commercial jet orders as late as last year. Lockheed was also for many years a competitor in making commercial jets, with its TriStars, but now it is out of the business. Both companies are out because of Airbus.

Airbus started out with the ambition to claim a quarter to a third of the world's big-jet market. It now aims at half the world market.

The Joint Strike Fighter, the latest American fighter project, has years of prototype competition between Lockheed and Boeing ahead before the Pentagon makes a final choice. Then Congress has to come up with production funding, which is likely to be a controversial affair, after unhappy recent experiences with the cost of the B-2 Stealth bomber, and with the delayed F-22 fighter.

The F-22 was supposed to have begun production two years ago. The Brussels aerospace newsletter "Context" says that initial deliveries now are not expected until 2002-2003, at more than three times the original projected cost.

The American fighter aircraft on the world market today are versions of planes developed in the 1960s. The F-15 flew first in 1969, and both the F-16 and the prototype from which the F-18 was derived in 1973.

In Europe, the troubled British-German-Italian Eurofighter program is at last on the verge of firm production orders from Bonn and London, and the French Dassault Rafale is in preproduction. Both are new-technology, aerodynamically "unstable" fly-by-wire aircraft. The United States will not have a fully competitive aircraft on the market until well into the 21st century. In short, it has fallen a generation behind its allies in fighters actually produced.

One of the early contributing factors to the program for NATO expansion was arms industry interest in furnishing "force modernization" equipment to new NATO members. These countries were expected to buy NATO-proven and NATO-standard combat aircraft — i.e., American aircraft. However, the governments concerned have proved very resistant to the sales offers made to them, arguing that they have more urgent demands on their money, and also to keep pressure on the United States to speed their alliance entry.

All of this illustrates the complexity of trans-Atlantic alliance relations. An equivalent complexity is developing in Asia, centered on the financial and commercial trade-offs implicit in the continuing U.S. strategic deployment in the region.

Commercial rivalries in the alliance are politically complicated by prospective Chinese and North Korean succession crises, the developing brutality of the Hong Kong takeover, China's arrogant maneuvers to manipulate Clinton administration policies, and the issue of "Asian values" versus Western human rights and labor standards demands.

There now are winners and losers in these alliances — or wins and losses. Governments more than ever are under pressure to frame security policy in terms of the commercial interests of powerful industries. National interest, as politically defined, may — indeed, sometimes must — conflict with commercial interest.

Managing such a situation requires a more discriminating view of the national interest than usually expressed by politicians or press. Lacking that, America's Atlantic and Pacific alliances could both develop cracks. That should be understood now, in all the alliance capitals.

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Arab Intellectuals Out of Tune

By Thomas L. Friedman

CASABLANCA, Morocco — When Benjamin Netanyahu signed the Hebron accord it signaled a fundamental split on the right in Israel. Those who argued that for religious, nationalist or security reasons Israel must never cede any of the West Bank were left behind, as a large segment of the right joined the land-for-peace camp, creating a broad new center.

Now the only debate left in Israel is not whether there will be a Palestinian state in the West Bank, but what size will it be. The answer to that question will depend, in part, on whether the split on the Jewish right will be mirrored now by a split on the Arab left. Up to now the Arab intellectual left, as well as the unions of Arab doctors, lawyers and writers, have refused to reconcile themselves to Israel, even though their regimes have.

A tiny split in the Arab left is opening, but it has a long, long way to go before it becomes a politically significant movement that could really influence the debate in Israel.

This week some important Arab media, such as Al Mussawar magazine, the widely watched television show featuring Egypt's Hamdi Qandil and even leftist newspapers like Al Ahali have been filled with this budding debate: Was it proper for Arab intellectuals, led by Egypt's Lutfi al-Kholi and Abdel Moneim Said, to take part in a recent dialogue with centrist Israeli intellectuals in Copenhagen?

The Arab intellectual left had previously decreed that only a dialogue with non-Zionist Israelis was legitimate.

But those who went to Copenhagen argued that it has not been the boycott of Israel by Arab intellectuals that has brought the Palestinians their first chunks of land from Israel. Rather it was the pressure first of the Palestinian uprising and then of the Israeli peace movement. Therefore, if Arab intellectuals really want to help Palestinians, they will engage directly with the peace forces in Israel, even the Likud, and try to nurture the land-for-peace lobby there.

The Nobel prize-winning Egyptian author Naguib Mahfouz told Al Ahram: "Accusing those who participated [in Copenhagen] of treason is nonsense. I support the advocates of peace on the Arab side getting in touch with the advocates of peace in Israel. This is a patriotic act."

But this is still a minority view. I just participated in a roundtable discussion with 50 Moroccan professors at King Hassan II University in Casablanca, and I heard attacks on Israel that were so bitter I finally said to them: "I feel as if I've entered a time warp and woken up at an Arab League meeting in 1960."

For these Moroccan intellectuals, Hebron didn't exist, Oslo didn't exist, Yasser Arafat was misguided. They spoke from the heart about the "rape of Arab land" that the Jewish state represented.

Qadri Hifni, an Egyptian expert on Israel, summed up their mind-set in Al Mussawar, saying: "The cultural domain is the last bastion of normalization. Let us [intellectuals] be careful. If boycotting Israel would hurt it, let's maintain that strategy."

Hard-line Arab intellectuals seem to be seeking not withdrawals but atonement. They want an ideological victory, they want an apology, they want the Jews to stand up and say "Sorry, we never should have built a state here."

Further complicating the picture is a new element: Some intellectuals seem to be intimidated by the rising influence of Islamic fundamentalists or fascinated by their power, and would like to mobilize it. Mohammed Imara, a leading Egyptian Islamist, argued that the role of the Arab intellectual was "to nourish the memory of our nation about the entirety of its rights until the balance of power can be corrected."

Even those intellectuals ready to engage Israelis do so on the assumption that Israel will return to the 1967 lines. But the real debate in Israel will not be whether to return 100 percent of the West Bank, but whether to return 40 to 50 percent or 80 to 90 percent.

I am not sure that even the most dovish Arab intellectuals are ready to take sides in that debate. In that sense, Ali Salem, a prominent Egyptian writer, may be right to say: "The call for a dialogue with the peace camp in Israel is justified, but it came too late."

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Spanish Advance

MANILA — The Spanish advance column commanded by General Barraquer, has established artillery redoubts within 1,400 mètres of the bridge crossing the river Zapote. The fire of the redoubts, combined with that of the fleet, commands the neighborhood of the beach, causing severe losses to the rebels, who are entrenched on both sides of the river.

1922: Games Outlawed

BOSTON — Sunday checkers and chess in Massachusetts fell to their doom when the House of Representatives shot down a bill permitting Sunday playing of those games. As a result, under the present statute of outlawry, persons engaged in pushing checkers across the squared board on the Sabbath are to be classed as desperados. The measure was filed by the Massachusetts State Checker Association after a cripple at Brockton was convicted for playing the game on Sunday in a public place. The proposed bill was an amendment to the Sunday Sports Law which permits "athletic outdoor games or sports" to be played on Sundays.

1947: Midlands Plan

LONDON — Prime Minister Clement Attlee announced today [Feb. 19] plans for a partial resumption of industry in the Midlands. His plan, revealed after industry in half the country has been paralyzed for 10 days, will go into operation next Monday [Feb. 24]. Mr. Attlee's announcement, which was the first sign of a break in the power crisis that has thrown more than 2,000,000 people out of work, was received coldly by industrialists. They said the plan ignored the fact that many of them lacked the coal supplies needed to start their plants again.

OPINION/LETTERS

Get Serious and Ask Lake About Iraq

By Jim Hoagland

WASHINGTON — Senator Richard C. Shelby is half-right about the confirmation hearings on President Bill Clinton's controversial nomination of Anthony Lake to head the Central Intelligence Agency: They should form a thorough and painstaking inquiry into the suitability of Mr. Lake to take charge of a seriously troubled organization. There should be no rubber stamp here.

But the Alabama Republican goes about the right thing the wrong way. He has focused on peripheral issues and stalled the beginning of the hearings to March 11. Mr. Shelby plays Mr. Micawber, the character in Dickens who is always waiting for something to turn up.

Mr. Shelby, who heads the Senate Intelligence Committee, seems to be waiting for something scandalous to turn up, to sink the nomination. But the half-dozen questions that should determine Mr. Lake's fate exist under the senator's nose. They would have more impact being put to Mr. Lake directly and expeditiously.

These questions do not involve the matters Mr. Shelby and other conservative Republicans focus on: Mr. Lake's inattention to small stock market transactions by his broker; the ludicrous idea that Mr. Lake was an inspirational leader of left-wing think tanks in Washington, and his role in keeping Congress and the public in the dark on the president's decision not to oppose Iranian arms shipments to Bosnia.

The problems with Mr. Lake's nomination lie elsewhere. While Mr. Shelby has left him twisting in the wind, Mr. Lake has engaged in a semipublic lobbying effort among CIA agents and officials and is courting ultraconservatives to intercede with Mr. Shelby. This raises questions about how effective a leader Mr. Lake can become after starting from a position of perceived weakness.

"This could work out," an agency veteran told a friend recently. "Tony may now be satisfied to get confirmed and immediately start a four-year tour of the world to visit all the stations, and we will be left to get on with our jobs."

But the biggest danger lies in the built-in conflict of interest the president has created by choosing as his new intelligence coordinator his old national security adviser, who urged particular policies on the president and then oversaw their implementation.

In pleading with Mr. Shelby to get on with the hearings President Clinton told reporters that Mr. Lake was the architect of U.S. Bosnian policy. He was also an early advocate of NATO expansion, relaxing opposition to China and sticking a finger in Britain's eye by pushing for a settlement in Northern Ireland.

On these issues and others, will the president get an unvarnished view from Langley? I doubt King Solomon would have the detachment and perspective needed to disentangle such past advocacy from present analysis. Because of his background, a heavy burden of proof will lie on Mr. Lake at the CIA. He will constantly have to show that he can encourage the CIA to conduct intelligence assessments and operations with absolute integrity, even if they cost Bill Clinton politically and the CIA bureaucratically.

John Deutch, the last CIA director, showed that kind of courage and intellectual honesty when he was asked by Congress about Saddam Hussein's military occupation of northern Iraq last September.

Despite White House statements to the contrary, Mr. Deutch told the truth: Mr. Saddam had been politically strengthened by the move.

That was the last straw for Mr. Deutch's ambitions to remain in the cabinet. He was unceremoniously dumped by Mr. Clinton. Mr. Shelby's committee should look into Mr. Lake's reaction to Mr. Deutch's testimony on Iraq, and Mr. Lake's role, if any, in removing Mr. Deutch from the office Mr. Lake now seeks.

Iraq is the CIA's greatest covert fiasco of this decade. The agency's failures in northern Iraq, and its continuing inability to organize an effective program against Mr. Saddam, should be the focus of the questions that matter in judging whether Mr. Lake will have the detachment and perspective needed to rebuild a wounded organization.

Is Mr. Lake prepared to acknowledge the agency's dismal performance in Iraq? What will he do to improve it? Is the agency honestly reporting that the economic and diplomatic sanctions that have helped contain Mr. Saddam are now eroding? What can be done to stop that erosion? Why is the administration continuing to negotiate with the Kurdish leader Massoud Barzani despite Mr. Barzani's refusal to disassociate himself from Mr. Saddam? Does Mr. Lake still honor the pledges he gave to the Iraqi National Congress to help it become a democratic opposition to Mr. Saddam?

These are the questions that Mr. Shelby and his committee need to ask Mr. Lake. With the resources at his command, if Mr. Lake cannot get Iraq right he is not the man for the important job of rescuing an organization that has lost not only its mission but its way.

The Washington Post.

A Raw Nerve in American Jewish History

By Frank Rich

CHICAGO — At a dinner party last Saturday, I found myself seated among some of the most loyal of Clinton enthusiasts in this most loyally Democratic of cities. But when I raised the question of Madeleine Albright's sudden discovery of her roots, there was only eye-rolling and sarcasm. One prominent Jewish friend of both the Clintons and the secretary of state didn't hesitate to characterize Mrs. Albright's professed ignorance about her past: "She didn't want to know from Jewish."

The question of what Madeleine Albright knew about her past and when she knew it is hardly of Watergate significance. Her religion, whatever it is, is irrelevant to her job, for which she is abundantly qualified. But her story isn't going away just yet, in part because it upsets more than a few American Jews, and in part because she seems to be shading the truth. In the classic Clinton administration manner, so reminiscent of Bill Clinton's shifting accounts of his draft history or Al Gore's varying recollections of his misadventures at a Buddhist temple, Mrs. Albright has with her own words turned a fascinating, poignant but potentially short-lived story into what might be called (though presumably not by her) a big megillah.

When Michael Dobbs of The Washington Post first reported *(IHT, Feb. 6)* that Mrs. Albright's parents were Jewish converts to Catholicism and that she had lost three of her grandparents (among other close relatives) to the Holocaust, she pronounced these revelations "obviously a major surprise." But it turned out that others had written letters to tell her of these facts in years past — including the mayor of her father's hometown and a Jewish first cousin who had lived with her family in exile in London during the war. Her paternal grandparents' deaths are also recorded on a memorial list published in Terezin in 1995 of Czech Jews who died in the Holocaust.

MEANWHILE

Now Mrs. Albright — whose much-admired catchphrase until recently was "I tell it like it is" — is changing her story. In a relentless interview by Lally Weymouth in this week's Newsweek, Mrs. Albright says that her initial response to The Post's findings was misquoted. "I was not surprised about my Jewish origin," she says. "What I was surprised about was that my grandparents died in concentration camps." But as recently as in a "60 Minutes" interview aired on Feb. 9, she told Ed Bradley that both her Jewish origins and her grandparents' fate had been "totally" unknown to her.

This prevarication, unlike her family history, does reflect on Mrs. Albright's credibility as a public servant. But what is more troubling to many Jews, myself among them, is her lack of curiosity about her roots from the start, no matter whether she found out the facts this month or years ago. What smart, serious, sensitive student of history, let alone Nazi refugee, makes no effort to find out how her grandparents died? Or turns her back on a cousin with whom she lived like a sister during her most formative years?

Such a determined ignorance about one's own family is so out of character for a woman of Mrs. Albright's intelligence and quality, Jewish or not, that it has prompted a floating national kaffeeklatsch of armchair psychoanalysis. Deborah Lipstadt, a professor of Jewish studies at Emory University who has long charted America's conflicted relationship with the Holocaust, argues that for Mrs. Albright to question her father's version of her history would be tantamount to destroying the hero and role model who most shaped her life.

But whatever the explanation, Mrs. Albright's story also fascinates and troubles because it exposes a raw nerve in American Jewish history. In the postwar America in which Mrs. Albright came of age, it was not, as Ms. Lipstadt puts it, "convenient to be Jewish": not if you wanted an unimpeded path to Wellesley or the nicest suburbs or the best jobs. It was the time for heavy-duty assimilation, for name changes and nose jobs: even the Holocaust was not talked about too loudly among American Jews in the 1950s.

However unintentionally, Madeleine Albright actually lived the darkest fantasy of the most assimilationist American Jews of that time. Her family's obliteration of its Jewish past — extreme case though it may be — wouldn't resonate so loudly if it didn't awaken guilty memories in so many other American homes.

The New York Times.

'Time to get up again!'

LETTERS TO THE EDITOR

About France

Regarding "A Somber France, Racked by Doubt" (Feb. 12):

The article is interesting and candid, putting forth in its very first lines the idea that is then developed at length: that France should follow the Californian, or American, way.

As a longtime observer of America, I have also been racked by doubt — at the sight of its streets, towns, courts, television shows and, more generally speaking, the American way of life. As a consequence, I think it is very presumptuous to propose that way as a model to others.

So, still racked by doubt, I would rather stick to our own French way, worked out by our people throughout centuries, sometimes in blood and sorrow, and ignore such American reproaches.

GEORGES JURAS.
Cannes.

Regarding "French Intellectuals Take On the National Front" (Feb. 15):

I have doubts about the credibility of French "intellectuals" because they themselves have championed dubious causes in the past — communism, for example.

PETER B. MARTIN.
Montcuq, France.

Regarding "Back in the Difficult Present, Will the Euro Ever Materialize?" (Opinion, Feb. 4) by William Pfaff:

If a group of countries, including France, do eventually create European Monetary Union and the euro, how can this union stand if it is a house divided against itself?

France is acting in ways that run completely counter to those of the other potential EMU members. It is lowering the retirement age for categories of workers; reducing hours of work but not pay, and has made a specialty of cravenly giving in to special interest groups that have the power to cause economic disruption across the country.

Will the other members of the monetary union have to cover for French folly in order to maintain the value of the common currency?

ESKIL SVANE.
Pouzols, France.

Europe and America

Regarding "While Americans Fret, Foreigners Applaud U.S. Success" (Opinion, Feb. 11) by Stephen S. Rosenfeld:

Mr. Rosenfeld's article exemplifies the self-aggrandizement that Americans are so well known for, but with a twist. Europeans, he says, concur with us!

Who has Mr. Rosenfeld been meeting? In my experience, very few Europeans view the "American way" in such a favorable light. While Europeans may well be "amazed" at America's recent economic achievements, they are loath to bear the tremendous social costs of homelessness, crime and social inequality.

Indeed, if the United States were so greatly revered, the various countries of Europe would be casting off the "burden" of the social welfare state with alacrity. Obviously, this is not the case. Perhaps Mr. Rosenfeld should rethink just how positively America's economic decisions are regarded; a trip to Europe may surprise him.

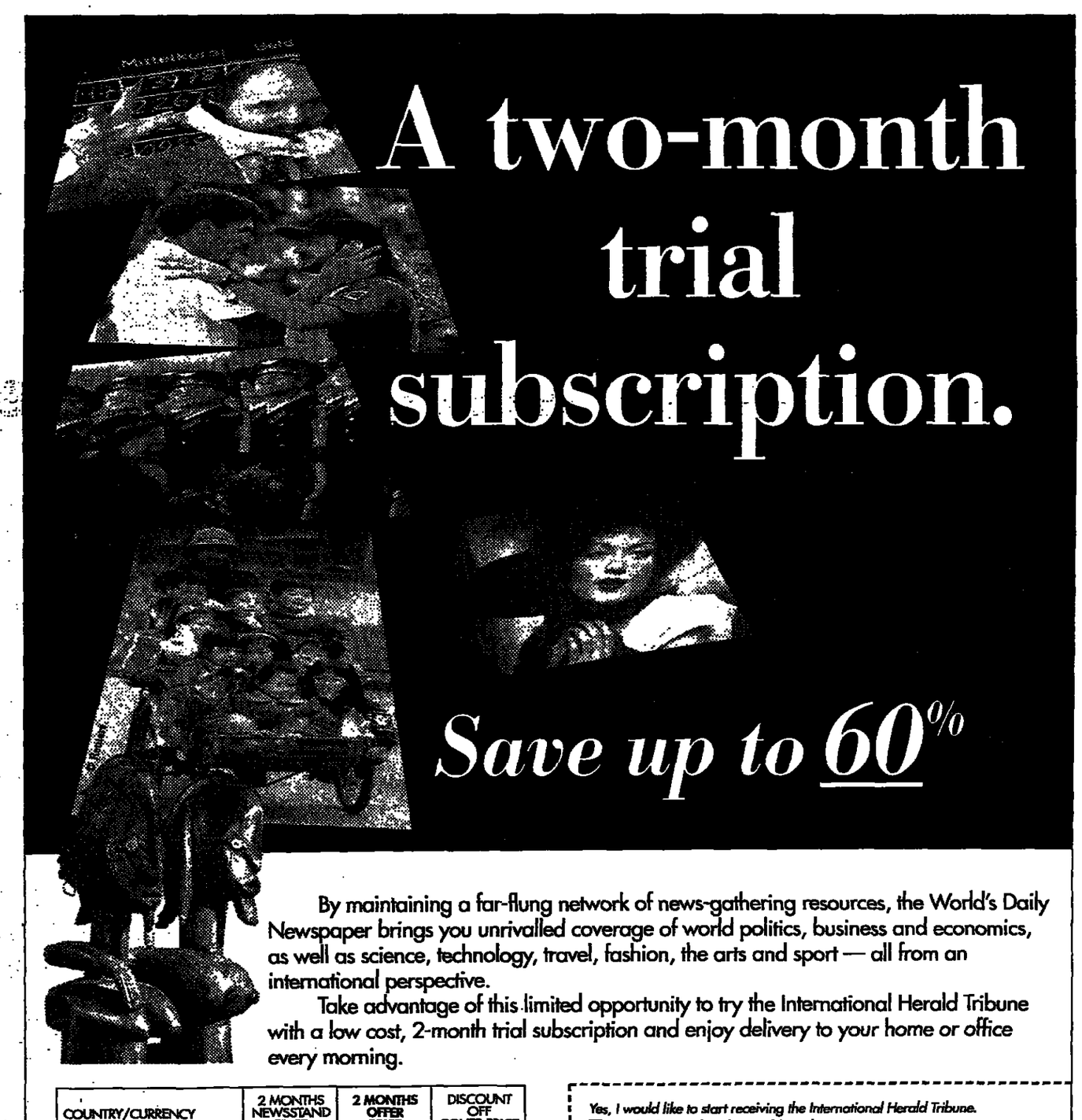
MIKKI MONTOYA.
Frankfurt.

Harriman's Grit

Like so many writers, Maureen Dowd *("Great Women of Georgetown," Opinion, Feb. 17)* concentrates on the men in Pamela Harriman's life and not her worthy accomplishments. Just like Katharine Graham, Mrs. Harriman also made it by "grit, intelligence and hard work."

Pamela Harriman loved the United States and worked hard for it. At the time of her death she was working under tremendous pressure trying to resolve the problems between France and the United States.

PATRICIA R. CLARK.
Paris.



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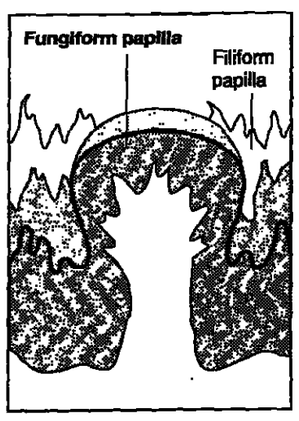
HEALTH/SCIENCE

TOMORROW: LEISURE

A Matter of Taste: How Genes Affect Preferences

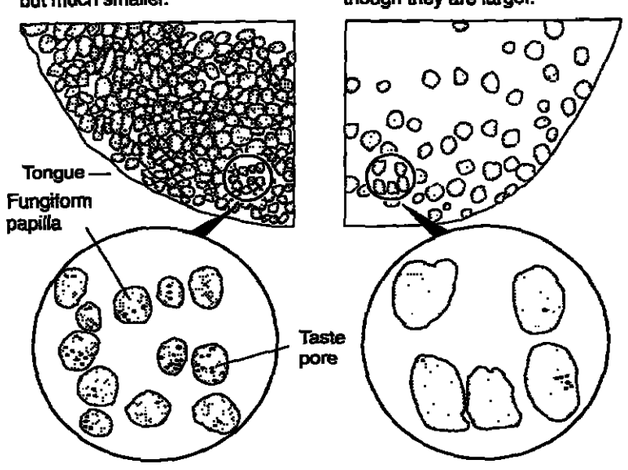
Researchers find that a quarter of people are supertasters, who react violently to a bitter test chemical; half are medium tasters, a quarter nontasters. Genetics seems to determine characteristics of tasting apparatus.

Pores on papillae on tip of tongue are conduits for taste stimuli to reach taste buds.



Supertaster
Supertasters have many more papillae, very closely arranged, but much smaller.

Nontaster
Nontasters have many fewer papillae, with far fewer pores, though they are larger.



Sources: Dr. Linda Bartoshuk, Dr. Valerie Duffy and Dr. Laurie Lucchina; The AMA Encyclopedia of Medicine (Random House)

NYT

Like Broccoli? It's in the Genes

By Sandra Blakeslee
New York Times Service

SEATTLE — Babies are born with a number of obvious genetic traits, like brown or blue eyes, black or red hair, dark or light skin. But parents take note: Infants also enter this world equipped with a genetically determined number of taste buds embedded into the tips of their tiny tongues. Some have a few hundred or so buds while others are endowed with tens of thousands of receptors for sweet, sour, salty or bitter foods.

From birth to old age, this inborn characteristic helps determine what foods people crave or leave on their plates, scientists say. It explains why some people detest double chocolate fudge frosting on cake while others deftly maneuver themselves into getting an end piece with twice as much goop. It sheds light on why some individuals hate broccoli, raw cabbage or grapefruit juice, while others look forward to eating those foods every day.

It is the reason some people like food close to room temperature and others like it hot, or cold, why certain people can gobble down spicy foods laced with red chili pepper, why some children are notoriously picky eaters and why many older people lose their appetites.

It may even play a role in evolution, leading pregnant women to avoid bitter foods that might be toxic to the fetus and prompting men to eat everything in sight, on the premise that they require more calories for brawny pursuits.

Research has shown that people inhabit vastly different taste worlds, said Dr. Linda Bartoshuk, co-organizer of a symposium on the genetics of taste held here during the annual meeting of the American Association for the Advancement of Science. Genetic differences in taste lead people to eat or refuse certain foods and play a role in how fat or thin they are, said Dr. Bartoshuk, a professor of surgery at Yale University.

Such differences may even influence who gets cancer, said Dr. Adam Drewnowski, the symposium's other co-organizer and a professor of public health, psychology and psychiatry at the University of Michigan in Ann Arbor. He speculated that those who avoided the sharp or bitter tastes of many fruits and vegetables might be at a higher risk for some diseases.

Given that food preferences and eating habits are profoundly influenced by a person's family and life experiences, and cultural factors, "it's really amazing that a biological variable like taste genetics shows up at all," Dr. Bartoshuk said. "But the tongue is hardwired for behavior in ways scientists are only beginning to understand."

The study of human taste genetics got under way in 1931 when Dr. Arthur Fox, a chemist at DuPont Co., synthesized a chemical called phenylthiocarbamide. After some of the chemical exploded into the air, a colleague commented on how bitter it was, yet Dr. Fox tasted nothing. Intrigued, Dr. Fox handed out crystals of the chemical at the 1932 American Association for the Advancement of Science meeting, asking how many passers-by could taste it. About a quarter of the people were nontasters, while everyone else said it was bitter, Dr. Bartoshuk said.

THAT fascinated the scientists of the day. They determined that nontasters carried two recessive genes that played a role, still unknown, in taste physiology and that tasters carried at least one dominant gene for the trait.

"We now divide the world into three groups," Dr. Bartoshuk said. A quarter of all people tested are nontasters, half are regular tasters and a quarter are supertasters — people who react violently to a similar compound. Regular tasters say the substance is bitter, but they are less sensitive than supertasters to small concentrations.

In looking at people's tongues with a special blue dye, researchers have found that supertasters have up to 100 times more taste buds than nontasters.

Each taste bud feeds information into two types of nerves, Dr. Bartoshuk said. One sends taste signals to the brain for processing. A second senses pain, temperature and touch. "This is really critical," she said. "It tells us that supertasters are superfeelers and superpain-perceivers, at least with their tongues."

The Hysterectomy Debate

By Natalie Angier
New York Times Service

NEW YORK — Hippocrates thought the uterus wandered and so drove women to hysteria, but in that belief he was the mad one. If anything, the womb is the body's Atlas, bearing the weight not only of the human future but of bitter social and medical disputes.

The abortion debate can be viewed as a question of who owns the womb — woman or embryo. The most common surgical procedure in the United States is the much-criticized Caesarean section. And the second most common is another, more radical storming of the uterus, the hysterectomy.

The debate over hysterectomies is one of quiet fury. Nobody bombs surgical suites in protest, but for years critics have assailed what they call the hysterectomy industry.

They have campaigned vigorously against the prevalence of the practice, appearing on television and writing articles and books with names like "The Hysterectomy Hoax" and "No More Hysterectomies."

They have complained that doctors are too quick to take out the uterus, particularly with middle-aged women for whom the organ is supposedly past its purpose anyway. They have blamed greed by doctors and hospitals, noting that hysterectomies constitute a $3 billion a year business. They have accused surgeons of laziness, of liking hysterectomies because the procedure is relatively easy.

Each year, about 560,000 women in the United States undergo a hysterectomy, a rate that is among the world's highest.

Now medical experts and women alike are struggling to understand why such a major operation continues to be almost routine. They say too many doctors cling to the hysterectomy as the first-line solution to any gynecological problem of middle-aged patients and can be patronizing or dismissive when a woman asks about alternative treatments.

Some experts predict that the number of hysterectomies will decline in the near future, perhaps dramatically, as baby boomer women pass the peak hysterectomy years of ages 40 to 50. Moreover, new alternatives to hysterectomy are starting to gain attention in clinical trials. Finally, as managed care takes over the medical industry, hysterectomies may no longer be automatically covered, for they are often considered elective procedures.

Whatever happens, hysterectomies are a staple of gynecological surgery. By the age of 60, one in three American women will have had her uterus removed. In Italy, by comparison, the figure is one in six women, while in France, it is only one in 18.

The reasons for having a hysterectomy vary widely. Few would argue against a hysterectomy in cases of cancer of the uterus, cervix or ovaries, but such instances account for only 10 percent of the total. The most frequent impetus for having a hysterectomy is the presence of fibroids, benign growths of the uterine muscle that, depending on their location, can cause considerable pain and bleeding.

Other common reasons are sustained heavy bleeding, hormonal imbalances, endometriosis — the abnormal and sometimes painful growth of uterine lining tissue outside the uterus — and pelvic discomfort that cannot be explained.

Critics of the widespread use of hysterectomies emphasize not only the dangers of major surgery, but the role of the uterus in a woman's lifelong physical, mental and sexual health. The womb, the shape and size of a small upside-down pear, has been regarded primarily as an incubator, a muscular and distensible baby sac that can become, in the words of one gynecologist, a "nuisance" after childbearing.

Yet some researchers insist that the uterus is an integral part of the body's endocrine system and that it continues to perform essential functions even after menopause. Not only does it respond to hormones — as everybody who has menstruated is well aware — it creates a few compounds of its own.

AMONG these are beta-endorphins, the body's innate painkillers, and a type of prostaglandin called prostacyclin, which inhibits blood clotting. The loss of this source of prostacyclin could help explain why women who have had hysterectomies are prone to cardiovascular problems.

Nora Coffey, director of Hysterectomy Education Resources and Services, a nonprofit counseling and information organization in Bala-Cynwyd, Pennsylvania, that she started after her own hysterectomy at age 36, contends that the effects of a hysterectomy are profound and that women must be warned of them in detail before undergoing the operation.

Dr. Sam Kirschner, a psychologist in Philadelphia who has counseled many women with hysterectomies, said that some became depressed and lost their sexual appetite without realizing the surgery might have something to do with it. For a number of women, the rhythmic contractions of the uterus and cervix during orgasm are an important part of their pleasure, and the loss of that capacity can leave them with a sense of lessened sexuality.

Selenium: Cinderella Nutrient?

By Jane E. Brody
New York Times Service

NEW YORK — Selenium, a mineral long feared for its toxicity, is on the road to becoming a Cinderella nutrient. As the last of 40 nutrients to be proved essential to human health, selenium is now the subject of both human and animal studies that suggest it can help prevent the two leading killers in the Western world: heart disease and cancer. It may also lift the human spirit.

In the latest published study, selenium supplements taken for 10 years failed in their primary mission, to protect against the development of skin cancers, but they were incidentally found to reduce other cancers by a third and to cut overall cancer deaths in half.

This effect of a daily 200-microgram supplement was so dramatic that the researchers are convinced that it is real, not just a statistical fluke, even though the study was designed to examine a different question.

Earlier studies had linked low dietary intakes of selenium to an elevated risk of heart attacks, strokes and other diseases related to high blood pressure.

People with low levels of selenium in their blood were shown to be three times as likely to die of a heart attack as those with higher selenium levels, a finding that may be related to selenium's apparent ability to raise blood levels of HDL, the "good" cholesterol, which helps protect against heart disease.

Improvements in well-being have also been noted in selenium studies. In a 15-week study by Dr. James Penland, a psychologist at the Grand Forks, North Dakota, Human Nutrition Research Center of the Agricultural Research Service, 15 men who were fed a selenium-rich diet reported a significant improvement in mood, feeling more clearheaded and elated at the end of the study than at the start. A comparable group of men given a selenium-poor diet reported feeling worse. The test diet contained 240 micrograms of selenium daily, more than triple the currently recommended amount.

But researchers, though optimistic, remain very cautious about advising people to start gulping down selenium tablets. They point out that in industrialized countries, where foods come from many areas, it is possible to consume amounts of selenium that appear to be protective as part of a wholesome diet.

Chief Sources of Selenium

More than 80 percent of the selenium in the American diet comes from just a few foods.

Food	% of individual diet
White bread	14.2
Chicken	6.5
White rolls	4.0
Noodles, pasta, etc.	3.0
Canned tuna	2.1
White rice	1.7
Luncheon meat	1.2
Mayonnaise	1.1
Hamburger on buns	1.0
Cracked wheat bread	1.0
Turkey	0.9
Total percentage	**80.3**

Source: Gerald F. Combs Jr./Cornell University NYT

And selenium in foods appears to be used better by the body than the form found in most supplements. While the promise of benefit from a daily supplement is strong, it has not been proved, and the possibility of toxicity for those who overdo it is serious.

The Food and Nutrition Board of the National Academy of Sciences considers a daily intake of between 50 micrograms and 200 micrograms to be safe and adequate, and it has established recommended dietary amounts of 55 micrograms daily for adult women and 70 micrograms for adult men. For infants and children up to age 14, recommended daily dietary amounts range from 10 to 45 micrograms daily.

Most Americans seem to consume enough selenium in their food to satisfy the current recommendation. Surveys have indicated that the average American consumes about 100 micrograms of selenium daily, although in one study in Maryland, 17 percent of adults took in less than 50 micrograms.

Selenium tends to be richest in foods high in protein. Fish, for example, is an excellent source. The main sources of selenium in the American diet are meats, poultry, fish, cereals and other grains.

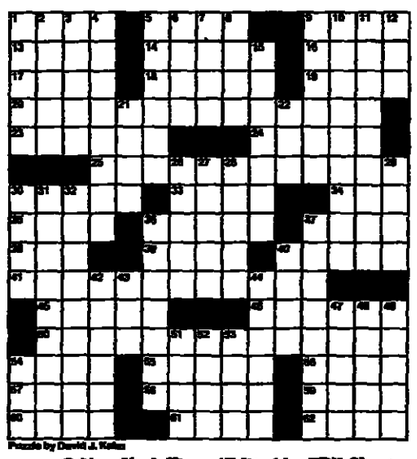
Among vegetables, mushrooms and asparagus are good sources. Brazil nuts, especially those sold with their shells on, are loaded with selenium; two nuts a day can more than meet the daily need.

The question now, though, is how much is enough. Selenium is an antioxidant that can help to prevent the degradation of fats and cell membranes and block the action of cancer-causing chemicals. More than 100 studies conducted in laboratory animals treated with carcinogens have shown that selenium added to the animals' usual diet protected them against a number of cancers, including cancers of the breast, esophagus and liver.

CROSSWORD

ACROSS
1 Airplane exit
5 Boat with a V-shaped transom
9 China-Russia boundary river
13 Finito
14 "... partridge in —— tree"
16 15th-century maritime name
17 Tuscany ta-ta
18 Choice for a sand trap shot
19 "Even —— speak..."
20 Start of a Will Rogers quip
22 Kind of parking
24 Miss America, to some
25 More of the quip
30 Sorrows
33 Algerian port
34 Sentimental stuff
35 Tax plan staples
36 Mallard-sized goose
37 San ——, Italy
38 Horse color
39 Craving
40 Considered, with "on"
41 More of the quip
45 Unencumbered
46 Writer Jong et al.
50 End of the quip
54 Jeer
55 Kind of seal
56 View from Sandusky
57 Pond swimmer
58 Tee off
59 Insect nests
60 Muffs
61 Film maker Joel or Ethan
62 Something to do

DOWN
1 "Fidelio" jailer
2 Birdlike
3 Board
4 Is a breadwinner
5 Occurred to, with "on"
6 Noted cartel
7 Go back to square one on
8 —— Sant'Gria (wine brand)
9 Wreath for the head
10 Doesn't estimate correctly
11 Like some guests
12 Actress —— Dawn Chong
15 Counting (on)
21 Malady suffix
22 Charlie Weaver's Mt. ——
26 Like some baseball games
27 Early Warhol film
28 À votre ——
29 Tough guy
30 Opera set near the Nile
31 Like Grape-Nuts vis-à-vis other cereals
32 Mustache style
36 Intermingled
37 Basic skill
40 Swamplike
42 Skis with high-speed turns
43 "Ball ——"
44 Make vapid
47 Senate house in ancient Rome
48 Litmus reddeners
49 Valentino role
51 Police decoy, sometimes
52 Rock music's Police, e.g.
53 Golfer Ballesteros
54 Mobilnet corp.



Puzzle by David J. Kahn

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Feb. 19

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Heart Disease: Treatment vs. Diet

By Lawrence K. Altman
New York Times Service

WASHINGTON — Medical and surgical treatments for heart patients have been much more important in the decline in heart-disease deaths in recent years than widespread changes in diet and other means of basic prevention, a new statistical study has found.

About 70 percent of the drop in the number of deaths from coronary artery disease can be attributed to use of clot-dissolving drugs, like streptokinase and tissue plasminogen activator, and procedures like angioplasty and bypass surgery for people with coronary artery disease, according to the study, published Wednesday in The Journal of the American Medical Association.

Dietary changes in the general population aimed at preventing coronary artery disease accounted for only about 25 percent of the drop between 1980 and 1990, said the study's lead author, Dr. Maria G.M. Hunink, of the Harvard School of Public Health and University of Groningen in the Netherlands.

Dr. Hunink said in a telephone interview from Groningen that her team had been "amazed" to learn that medical treatment had a larger impact than prevention on the incidence of coronary artery disease, the most common type of heart disease. It remains the leading cause of death of Americans, despite a decline of from 2 percent to 4 percent each year in recent years.

Scientists have been uncertain about the relative contributions of treatment and basic prevention — preventing the development of the disease rather than its recurrence — to the drop in deaths from coronary artery disease. Dr. Hunink said that before the study, she would have guessed basic prevention would account for at least half the drop.

DR. Hunink pointed out in the interview that primary prevention measures, like changing the diet and stopping smoking, were still important. The study did not suggest that such prevention was ineffective, merely that treating people who were already ill had a bigger effect.

The reason for her caution is that the costs of various treatments and prevention methods were not part of the study, which relied on a computer simulation model based on national health statistics and clinical trials. Dr. Hunink said her team was expanding the study to find the costs and benefits of specific treatment and prevention factors.

The study found that, as a basic prevention step, stopping smoking accounted for 3 percent of the decline in deaths and that the improvement in lipoprotein levels accounted for 16 percent. As a preventive step among those who had already developed coronary artery disease, stopping smoking accounted for a 4 percent decline in the number of deaths and the improvement in lipoprotein levels accounted for 18 percent.

A limitation of the study was that it did not take into account exercise and the use of aspirin and estrogen to prevent heart disease because not enough data were available, Dr. Hunink said. But she added that such factors would account for only a small portion of the decline in deaths.

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Daimler Buoys U.S. Presence by Buying Ford's Heavy-Truck Unit

By John Schmid
International Herald Tribune

FRANKFURT — Daimler-Benz AG has agreed to buy the heavy-truck operations of Ford Motor Co. in the German conglomerate's first big-ticket acquisition since it sold off or closed a third of its businesses in the past two years, both companies said Wednesday.

Terms were not disclosed.

Although each company has a different strategic interest, the agreement signals that two of the world's leading motor-vehicle makers intend to strengthen their respective lines of traditional businesses in North America.

News of Daimler's acquisition came as a surprise because many observers had expected the German company's first expansion step to be in Asia, a region it has targeted for expansion. But it does show Daimler's determination to broaden its base beyond Germany's high-wage, high-cost base, analysts said.

For Ford, the divestiture of its heavy-truck business means the company can concentrate on passenger cars and light trucks, which make up virtually all of its $147 billion in 1996 worldwide sales, a company spokesman said. In recent years, Ford has sold its activities in tractors, aerospace, steel, equipment leasing, and even a California-based savings and loan bank.

In Daimler's case, it shows that the German company's failed 1980s expansion into sectors ranging from aircraft to microwave ovens will not prevent it from taking on new investments in its time-honored and profitable vehicles businesses, a company spokesman said.

Since Daimler's chairman, Juergen Schrempp, took over in May 1995, he vigorously reversed the expansion and reduced the portfolio of operating divisions to 23 from 35, jettisoning many of its aerospace activities.

Under Mr. Schrempp, the company is determined to concentrate once again on motor vehicles, which accounted for four-fifths of Daimler's sales of 106 billion Deutsche marks ($62.9 billion) in 1996 sales. Daimler is the parent company of Mercedes-Benz AG.

Through its Freightliner Corp. subsidiary, based in Portland, Oregon, Daimler already ranks as the biggest maker of heavy trucks in North America with 30 percent of the market. It is also the leading U.S. exporter of heavy-duty trucks, the company said.

"Unlike the acquisitions of the past, this is a business that Daimler understands," said Stephen Reitman, industry analyst in London at Merrill Lynch & Co.

"Freightliner is one of the real success stories of the Daimler group," he added. "In that sense, it is a good deal. It is the strong getting stronger." Ford's operations will add more than $1 billion in annual sales to Freightliner, which posted 1996 sales of $5 billion, and will increase Freightliner's North American market share to nearly 40 percent.

"We have completed a thorough, strategic review of our heavy-truck operations and concluded that Ford resources can be better focused on our light and medium trucks with higher volumes as a core business," said a Ford vice president, Jim Donaldson.

While terms were not disclosed, a source close to the companies said Daimler would be able to finance the acquisition costs in installments through its own cash flow and reserves without resorting to new credit lines.

Daimler also will benefit, the source said, because the cost of the acquisition will be less than what Ford spent to develop a new line of heavy utility trucks called the NH80 AeroMax series, which fills a gap in Freightliner's existing lineup of freight haulers. The NH80 platform is used for construction vehicles, fire trucks, oil delivery, tankers and snow plows.

Ford declined to comment on its heavy-truck business, but indicated that earnings in the business were weak, at best. "If we were satisfied with the returns, we would not be doing what we are doing," said Mr. Jarvis, the Ford spokesman.

Ford has agreed to sell the licenses for its truck lines, all of its technology and manufacturing equipment, and the parts business. Ford, however, will keep its plant in Louisville, Kentucky, as well as the plant's 3,900 workers. Ford will retool the plant, the largest truck plant in North America, and produce light trucks there starting in 1998.

Freightliner will produce the Ford vehicles as a second line from one of its six existing North American plants, where analysts believe it has better control of manufacturing costs for heavy trucks than Ford.

By converting its plant to light truck use, Ford will expand capacity for its highest-volume North American business. "We sold more light trucks than cars in North America last year and are the world's leading truck manufacturer," said Chris Vinyard, a spokesman at Ford's headquarters in Dearborn, Michigan.

Suharto Friend Does Business, Indonesia-Style

Compiled by Our Staff From Dispatches

JAKARTA — In Indonesia, doing business is largely a matter of whom you know. Few executives know more people than Mohammed (Bob) Hasan.

Mr. Hasan just helped settle a tussle for control of the world's largest gold deposit, in the process ensuring himself and President Suharto a multibillion-dollar share of the mine. On Wednesday, Mr. Hasan was elected president-commissioner of PT Astra International, Indonesia's biggest automaker.

Mr. Hasan formed a close relationship with Mr. Suharto during the 1950s when the president was regional military commander in central Java.

"I have been friends with President Suharto since 40 years ago when the Communists were still in Indonesia," Mr. Hasan said after an Astra shareholders' meeting Wednesday.

Then-Colonel Suharto was serving under General Gatot Subroto, who took Mr. Hasan, an ethnic Chinese who later converted to Islam, under his wing.

"Bob Hasan is truly trusted by President Suharto," said Christianto Wibisono, an economist at the private Indonesia Business Data Centre consultancy.

"If Suharto is the commander in chief, Bob is the fleet commander," he added. "He is sort of good uncle to Suharto's children."

Mr. Hasan, a sports lover and Mr. Suharto's regular golfing partner, is regarded as a key business adviser to the president. A Canadian executive described Mr. Hasan as an "extremely influential person who knows how to do business."

"He has a good grasp of details and knows how things work," he said.

Not long before his high-profile plunge into the Busang gold-mining project, Mr. Hasan's business life had largely centered on the timber business, where he heads a number of plywood producers.

Mr. Hasan is also president commissioner of PT Bank Umum Nasional, the private banks Bank Bukopin and Bank Duta and the paper maker PT Kiani Kertas. He is also a commissioner of the insurance company PT Tugu Pratama Indonesia.

Agence France-Presse/Reuters

Mr. Hasan, left, outlining his strategy for Astra, is a regular golf partner of Mr. Suharto.

The Hasan-led Nusamba group bought controlling interests in the local partners of Bre-X Minerals Ltd., the small Canadian exploration company that discovered the Busang gold in 1994. Nusamba is 80 percent-owned by three foundations headed by Mr. Suharto and 10 percent each by Mr. Hasan and Mr. Suharto's eldest son, Sigit Harjojudanto.

The tale of how the gold dispute got settled is a good example of how business gets done in Indonesia.

The gold, an estimated 71 million ounces (9.8 million kilograms), is worth $25 billion at current prices. Bre-X does not have the expertise to mine all that gold. So Mining Minister I.B. Sudjana insisted it sell two-thirds of its stake to Barrick Gold Corp., a Canadian company in partnership with a company controlled by Siti Hardiyanti Rukamana, Mr. Suharto's eldest daughter.

The minister had threatened to revoke Bre-X's rights to the mine if it did not come to terms.

It is not uncommon to find Mr. Suharto and his six children somewhere in a big Indonesian business deal. He has run the world's fourth-most populous nation for 30 years, pushing it into prosperity in which his family has been a major beneficiary. But the children have begun to fight among themselves. With the gold mine, for instance, his eldest daughter squeezed out her brother by maneuvering Barrick into the deal.

At the beginning of December, in the middle of this unusually public spat over the gold, Mr. Hasan met with Mr. Suharto, mining executives said. He took along a friend, Chairman James Moffett of Freeport-McMoRan Copper & Gold Inc.

After Mr. Hasan, Mr. Suharto and Mr. Moffett met, Nusamba bought controlling interests in Bre-X's local partners.

Bre-X announced Monday that it had found a new partner — Freeport. Under the deal Mr. Hasan brokered, Bre-X will get a 45 percent stake, compared with the 22.5 percent under the deal with Barrick. Freeport gets 15 percent and must contribute $400 million toward the cost of the mine. It has also arranged a $1.2 billion loan toward the rest of the costs. The big difference from the earlier deal is the 30 percent for Bre-X's local partners, the biggest being Mr. Suharto and Mr. Hasan. There may be room for other investors, Mr. Hasan said. *(Bloomberg, Reuters)*

Thomson-CSF on Sale, But This Time by Itself

Paris Makes It Clear: Non-Europeans Aren't Welcome to Bid for Defense Giant

By Barry James
International Herald Tribune

PARIS — The French government announced Wednesday that it would sell the defense company Thomson-CSF as a single unit at auction this year, but made it clear that Asian or American buyers need not apply.

An attempt to sell off Thomson SA was stymied in December when the National Assembly's privatization commission rejected the part of a deal that called for selling the consumer electronics subsidiary, Thomson Multimedia SA, to Daewoo Electronics Co. of South Korea.

The Finance Ministry specified Wednesday that it would sell Thomson-CSF as one bloc to a French or European company in the defense sector. The government would retain a significant share, the ministry said, to "preserve the interests of national defense and to avoid a breakup of the company."

Employees will have the right to buy up to 10 percent of the capital.

The government holds 58.4 percent of Thomson-CSF, valued at approximately 12 billion francs ($2.09 billion).

Officials said the government decided against a public share offering in order to keep the company together and to facilitate consolidation in the industry. The government also has argued that a public share offering would stretch the capacity of the Paris Stock Exchange, which will have to absorb the planned privatization of part of France Telecom, the state telephone and communications operator, this year.

Thomson managers would have preferred a public share offering because it would have enabled the company to preserve its independence.

In the bidding last year, Lagardere Group was awarded the whole of Thomson over Alcatel Alsthom. Lagardere planned to merge Thomson-CSF with its own Matra and other defense interests, with Daewoo taking the consumer electronic subsidiary.

The entire deal fell apart when the privatization committee on Dec. 4 turned down the proposal to sell the consumer division to Daewoo after protests by Thomson Multimedia workers and the opposition Socialist Party.

The government now says it will put Thomson Multimedia, which makes televisions, video recorders and other consumer electronics, onto the market in a separate deal later this year.

Lagardere said the government's plans for the relaunching of the sale vindicated the proposal that the company had made last year. It said a Thomson-Matra merger was still the best option for the industry.

But Lagardere now faces a reinforced Alcatel Alsthom. The engineering and electronics giant recently announced it would ally with the state-owned aerospace company Aerospatiale and the privately owned Dassault Aviation SA to bid for Thomson-CSF. Alcatel announced earlier this month that it was selling part of its stake in the media group conglomerate Havas SA to raise the cash for the renewed bid.

For the French government, the sale of Thomson-CSF is not merely a major part of its privatization program but an attempt to create an integrated company capable of competing against the U.S. defense behemoths that have formed through a series of acquisitions in recent years.

"The government wants the widest possible grouping of industrial capacity," the finance, defense and industry ministries said in a joint statement.

They said the government was open to consolidation of the industry at either the French or the European level, combining French companies with defense concerns in Britain, Germany and elsewhere.

Lagardere has already merged its missile operations with British Aerospace PLC and its space and communications activities with GEC-Marconi Ltd., also of Britain.

President Jacques Chirac has made no secret of his desire to see an eventual consolidation between Lagardere and Alcatel Alsthom. But officials concede that the rivalry over Thomson-CSF makes this unlikely at present.

Thomson-CSF would be a major asset in any consolidated European defense concern. It is the biggest defense electronics manufacturer on the Continent, specializing in missile, communications, signal-processing and underwater acoustic systems. Measured by value, it exports about 40 percent of its production, and 35 percent of sales come from such civilian sectors as air traffic equipment and management, computing, health care products and automobile electronics.

U.S. Trade Deficit Last Year Was Widest Since '88

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. foreign-trade deficit in goods and services surged to $114.2 billion last year, the worst performance since 1988, as the deficit with China hit a record high and the price of crude oil rose to its highest level in six years, government figures released Wednesday showed.

In December alone, the deficit jumped 29.6 percent from November, to $10.3 billion, the Commerce Department said. The U.S. trade deficit for 1995 was $105.1 billion.

Exports, a key engine of domestic growth, declined in December. Imports, a gauge of consumer and business spending, rose to a monthly record. That combination pointed to more subdued growth in the U.S. economy, analysts said.

Manufacturers remained concerned that the strong dollar would hurt exports, said William Sullivan, an economist at the investment house Dean Witter Reynolds in New York. "Our products are apt to get less competitive."

In December, exports of goods and services fell 1.6 percent to $71.39 billion, led by a decline in foods, automobiles, capital goods and consumer goods. Imports rose 1.5 percent to $81.68 billion, reflecting increased shipments of oil, consumer goods and capital goods.

Exporters have complained that the dollar's appreciation against the yen and other foreign currencies have made U.S.-made products too expensive for overseas buyers, hurting foreign sales of goods and services.

But the U.S. trade deficit with Japan declined to $47.68 billion, the lowest since 1991.

Japan, meanwhile, said Wednesday that its overall trade surplus fell sharply in January but that its surplus in trade with the United States soared 82 percent because of an increase in the value of exported automobiles.

The Finance Ministry said Japan's overall surplus skidded to $41.9 million last month from $507 million a year earlier. It blamed seasonal factors for the decline and said Japan's surplus would have been $5.19 billion in January if such factors were excluded. The overall surplus was $7.1 billion in December.

But Japan's surplus with the United States soared to $2.4 billion as the value of exported automobiles climbed 78 percent.

The U.S. data showed that America's trade gap with China jumped 17 percent last year to $39.5 billion. It marked the 11th straight annual increase in the deficit with China, and some analysts said the trend would very likely result in the deficit with China surpassing the imbalance with Japan this year.

Total U.S. exports of goods climbed 6.2 percent to a record $611.7 billion last year. But imports of goods were also a record, rising 6.6 percent to $799.3 billion.

The U.S. aviation industry was an export leader. Boeing Co.'s orders for new aircraft almost doubled last year, bringing in a record $53 billion to give the Seattle-based company almost two-thirds of the world's commercial jetliner market. Boeing delivered 218 airplanes in 1996, up from 206 in 1995.

Caterpillar Inc., the Peoria, Illinois-based manufacturer of construction equipment, announced last week it would form a joint venture with the German farm-equipment maker Claas Group Worldwide to make and sell harvesters and tractors in Europe and North America.

On the import side, a variety of major American brands depend of foreign production, ranging from Nike Inc., which produces 30 percent of its athletic footwear in China, to Mattel Inc., which depends of Chinese workers to make its Barbie dolls. *(AP, Bloomberg)*

CURRENCY & INTEREST RATES

Cross Rates

Feb. 19

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9025	3.0685	1.1229	0.3325	0.113*	—	5.45*	1.2825	1.5325*	1.408	1.325*
Brussels	35.825	54.565	20.6435	6.1165	2.0741*	18.389	—	22.7975	4.2802	25.85	24.3725*
Frankfurt	1.6934	2.7386	—	0.296	0.1005*	0.8906	4.845*	1.1454	1.3659*	1.2467	1.1794*
London (a)	1.6123	—	2.7312	9.2282	2,718.64	3.0666	56.3643	2.3916	200.04	2.1862	231.601
Madrid	143.572	231.772	84.818	25.19	8.521*	75.529	4.1694	97.327	115.763*	105.897	—
Milan	1,684.33	2,720.82	995.41	294.57	—	886.39	48.228	1,141.15	13.586	1,242.79	11.741
New York (b)	—	1.6153a	1.6903	5.734	1,689.00	1.9038	35.02	1.4057	124.05	1.3597	143.61
Paris	5.7125	9.234	3.3792	—	0.3395*	3.0091	0.1637	3.8739	4.612*	4.219	3.9855*
Tokyo	124.35	199.45	73.54	21.77	0.736	65.51	3.5634	84.23	—	91.70	0.8681
Toronto	1.3596	2.1947	0.8016	0.2373	0.0805*	0.7126	0.3884*	0.9129	1.095*	—	N.Q.*
Zurich	1.4339	2.3035	0.8759	0.2592	0.0847*	0.7796	4.2427*	—	1.1954*	1.0043	1.022*
1 ECU	1.1534	0.7143	1.9516	6.5948	1,942.67	2.1917	40.2812	1.7024	141.913	1.5637	165.482
1 SDR	1.377	0.8511	2.3317	7.8727	2,319.10	2.6163	47.9901	2.0361	170.879	1.8631	197.525

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	265.31	Mex. peso	7.792	S. Afr. rand	4.4605
Australian $	1.3065	Hong Kong $	7.746	N. Zealand $	1.4374	S. Kor. won	874.45
Austrian sch.	11.910	Hung. forint	175.64	Norw. krone	6.6545	Swed. krona	7.4094
Brazil real	1.049	Indian rupee	35.96	Phil. peso	26.34	Taiwan $	27.54
Chinese yuan	8.3225	Indo. rupiah	2379.50	Polish zloty	3.03	Thai baht	26.08
Czech koruna	28.45	Irish £	0.6363	Port. escudo	169.45	Turkish lira	120840.
Danish krone	6.457	Israeli shek.	3.3408	Russ ruble	5662.00	UAE dirham	3.672
Egypt. pound	3.3965	Kuw. dinar	0.3038	Saudi riyal	3.75	Venez. boliv.	471.75
Fin. markka	5.0465	Malay. ring.	2.485	Sing. $	1.4184		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6131	1.6122	1.6112	Japanese yen	123.45	122.93	122.47
Canadian dollar	1.3527	1.3499	1.3474	Swiss franc	1.4728	1.4681	1.4636
Deutsche mark	1.6903	1.6869	1.6838				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Feb. 19

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 7/16 - 5 9/16	3 1/16 - 3 3/16	1 11/16 - 1 13/16	5 7/8 - 6 1/8	3 3/16 - 3 5/16	3/8 - 1/2	4 - 4 1/8
3-month	5 1/2 - 5 5/8	3 1/8 - 3 1/4	1 3/4 - 1 7/8	5 15/16 - 6 1/16	3 3/16 - 3 5/16	7/16 - 9/16	4 - 4 1/8
6-month	5 5/8 - 5 3/4	3 3/16 - 3 5/16	1 13/16 - 1 15/16	6 1/16 - 6 3/16	3 1/4 - 3 3/8	7/16 - 9/16	4 - 4 1/8
1-year	5 3/4 - 5 7/8	3 3/8 - 3 1/2	1 7/8 - 2	6 1/4 - 6 3/8	3 1/2 - 3 5/8	1/2 - 5/8	4 - 4 1/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 1/2
90-day CDs dealers	5.35	5.35
180-day CP dealers	5.27	5.28
3 month Treasury bill	5.09	5.09
1-year Treasury bill	5.44	5.44
2-year Treasury bill	5.78	5.77
5-year Treasury note	6.08	6.07
7-year Treasury note	6.17	6.16
10-year Treasury note	6.29	6.28
30-year Treasury bond	6.29	6.55
Merrill Lynch 30-day RA	4.88	4.89
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.43
1-month interbank	0.56	0.56
3-month interbank	0.56	0.56
6-month interbank	0.59	0.59
10-year Govt bond	2.45	2.47
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.15
1-month interbank	3.20	3.22
3-month interbank	3.18	3.18
6-month interbank	3.18	3.18
10-year Bund	5.49	5.47

Britain		
Bank base rate	6.00	6.00
Call money	6 1/4	6 1/4
1-month interbank	6 1/8	6 1/8
3-month interbank	6 3/16	6 3/16
6-month interbank	6 5/16	6 1/4
10-year Gilt	7.09	7.04
France		
Intervention rate	3.10	3.10
Call money	3 1/2	3 7/16
1-month interbank	3 7/16	3 1/4
3-month interbank	3 7/16	3 1/4
6-month interbank	3 7/16	3 3/8
10-year OAT	5.40	5.36

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	346.35	346.60	+1.60
London	346.34	345.25	+0.25
New York	347.70	347.60	−0.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)
Source: Reuters.

INTERNATIONAL MANAGER

GM Discovers the Use of Government

By Keith Bradsher
New York Times Service

DETROIT — Just four years ago, a senior General Motors Corp. executive appalled a roomful of diplomats and trade negotiators at an embassy dinner in Washington by arguing loudly that the nation's capital did not really matter because it did not manufacture anything.

That attitude, once common at the largest U.S. company, is fading quickly. As the automaker builds factories in Poland, Thailand and Argentina, and as the resurgent dollar helps propel sales of foreign cars in America, GM is becoming much more active on public policy issues.

The dollar's ascent has underscored the change of heart. This winter, GM executives were among the first to warn about the bruising effects of the dollar's rise on American industry and to lead efforts to persuade Treasury Secretary Robert Rubin that the dollar was too high in currency markets. A dozen years ago, when the dollar was also soaring, GM was one of the last big manufacturers to push for government relief.

Louis Hughes, the president of GM's international operations, has become an outspoken critic of plans for a single European currency, because he fears it could initially squeeze profits and slow economic growth. The automaker's Washington office has stepped up lobbying on issues like global warming, and the board has just added two directors known for their outspoken but different views on international trade.

Even Chairman John Smith Jr., who remains visibly uncomfortable discussing public policy issues, says GM will inevitably take more public positions as it expands overseas. He points out that it strongly favored the renewal last year of China's most-favored-nation status.

One reason is that GM is rapidly expanding its operations in many Asian and Latin American markets where overcoming trade restrictions and winning government approval for factories are often crucial for success. So GM has been turning to Washington for the same support that foreign automakers have long sought from their governments.

It is impossible for GM to run its worldwide operations, said the vice chairman, Harry Pearce, "without assuming some responsibility for being a well-informed participant in public policy debates and issues."

Current and former executives say one reason GM is no longer the corporate wallflower on policy issues that it used to be is the recovery from its management crisis in the early 1990s. Executives have more time to spend on longer-term issues.

Another reason is that GM's public policy decision-making has shifted away from the financial staff in New York City, where a laissez-faire ethos has long been strong. Decisions are increasingly being made in Detroit by Mr. Pearce, a lawyer who made his reputation handling product-liability issues in Washington and in courtrooms around the country.

During the mid-1980s, the ambivalence of the New York operations on dollar policy created tensions within GM. "Back in those days, some of the operating people felt we should have been more vocal than we were," said a former president, Lloyd Reuss.

The question now is whether GM's next step will be to seek restrictions on auto imports. Any such move would break a long corporate tradition of support for free trade.

In the late 1970s, GM declined to take part in an attempt by Ford Motor Co. to win protection from Japanese imports, effectively dooming the effort. As recently as 1993, GM pulled out of lawsuit preparations by Ford and Chrysler Corp., which wanted billions of dollars in tariffs imposed on Japanese cars allegedly being dumped at unfairly low prices in the United States.

GM has just added two directors with very different views on trade.

One, George Fisher, the chairman of Eastman Kodak Co., has made repeated use of unilateral American trade laws in trying to break open the Japanese market and restrict the sale of supposedly underpriced Japanese goods in the United States.

Percy Barnevik, chairman of ABB Asea Brown Boveri Ltd., the Swiss-Swedish engineering giant, is also outspoken on trade policy, but this new board member strongly supports international limits on unilateral trade laws.

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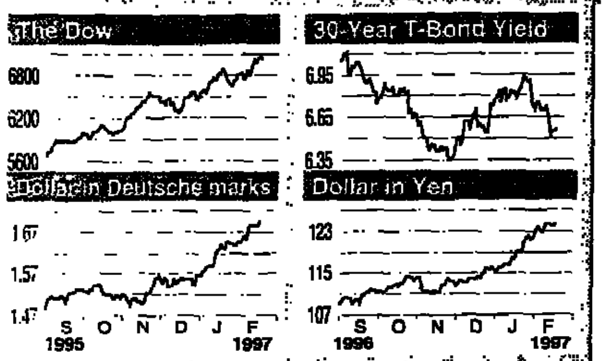
THE AMERICAS

Investor's America



Exchange	Index	Wednesday 4PM	Prev. Close	% Change
NYSE	The Dow	7020.13	7067.46	-0.67
NYSE	S&P 500	812.47	816.29	-0.47
NYSE	S&P 100	790.71	793.59	-0.36
NYSE	Composite	425.67	427.02	-0.35
U.S.	Nasdaq Composite	1365.56	1365.79	-0.02
AMEX	Market Value	599.14	596.10	+0.17
Toronto	TSE Index	6249.20	6237.60	+0.18
São Paulo	Bovespa	87713.46	89502.48	-2.00
Mexico City	Bolsa	3874.92	3841.60	+0.86
Buenos Aires	Merval	728.59	730.36	-0.23
Santiago	IPSA General	5346.12	5355.89	-0.18
Caracas	Capital General	N.A.	6680.28	-

Source: Bloomberg, Reuters International Herald Tribune

A Take-No-Prisoner Takeover

By Saul Hansell
New York Times Service

NEW YORK — For a chief executive, Charles Rinehart has long been unusually glum about the prospects of the company he runs. His new recipe: Buy another company that is in just as bad a position and dismiss thousands of redundant employees.

He heads H.F. Ahmanson & Co., the largest savings and loan institution in the United States. Late Monday it made an unsolicited offer to buy Great Western Financial Corp. the country's second-largest savings institution, for stock worth $6.6 billion.

But there is little profit in the traditional savings and loan business of making mortgage loans with money raised from certificates of deposit, and this deal will not change that. Nor will it eliminate the tens of billions of dollars in loans the two companies made in the late 1980s to finance California homes now worth far less than the mortgage balances due.

Mr. Rinehart hopes that the combined companies can move more quickly toward being more like banks. Most of all, he hopes to close 201 branches, primarily in California, and cut expenses by $400 million a year.

Ahmanson declined to say how many people would lose their jobs should the deal go through. But in a voice-mail message to Ahmanson employees Tuesday, Mr. Rinehart said that none of them would lose their jobs or receive reduced responsibilities as a result of the acquisition. The policy in most mergers is to choose the best from either company.

"We felt we had to dance with the ones that brung us," Mr. Rinehart said Tuesday, adding that most companies do not do enough to motivate and reward their employees.

The deal would combine two institutions that financed the construction of many of the suburbs that blanketed Southern California after World War II. Ahmanson's Home Savings of America built monolithic, mural-clad bank branches amid the new developments. Great Western emphasized cowboy imagery in its ads, with John Wayne and later Dennis Weaver as spokesmen.

But as it did for the cowboy, the sun is setting on the savings and loan. Both Great Western and Ahmanson are making far fewer new mortgage loans than they did a few years ago. Perhaps the best indicator is that two weeks ago Great Western said it would end its cowboy ads and dismiss Dennis Weaver.

For most of the last two decades shares of the two companies have traded within about $1 of each other. But in the last year, Ahmanson has surged ahead. On Friday, Ahmanson shares closed at $40.50, against Great Western's share price of $34.25.

Wall Street embraced the prospects of a merger, running Ahmanson's stock up by $4.375, to $44.875. That means its offer to Great Western shareholders is now worth $47.11 a share. Great Western's stock jumped $10.625 a share, to $44.875.

VALUE: *A Wary Watch on Wall Street*

Continued from Page 1

Already this year, the index is up 9.6 percent.

Wall Street professionals and most individual investors alike can, of course, recite the litany of good reasons for stocks' stunning 1990s advance, now the longest-running bull market ever: the global rise of capitalism; freer trade; declining government budget deficits; surging corporate earnings; rising investment by aging baby boomers; and, most important, a plunge in inflation worldwide, which has allowed interest rates to remain relatively benign.

Yet even the stock market is supposed to be bound by certain limits. Historically, prices of individual shares have been restricted by three factors: underlying corporate earnings, expected future earnings growth, and market interest rates.

By many accounts, U.S. share prices now are pushing the envelope in terms of their levels relative to those factors. That, in turn, has fueled the idea that the new generation of American investors, are consciously or subconsciously setting higher "fair" levels for share prices than previous generations.

The soaring price of Coca-Cola Co. shares, one of the 30 blue-chip stocks in the Dow index, perhaps best illustrates the sacking of many old Wall Street paradigms. The stock currently sells at almost 44 times the $1.40 per share that the company actually generated in earnings for stockholders last year.

Over the last 17 years, Coke stock's price-to-earnings ratio, or P/E as it is called, has averaged about 19. So investors are willing to pay far more for $1 worth of Coke's earnings than they have in the recent past.

The danger in paying an ever higher P/E ratio for a stock is that, as a shareholder, there is less of something substantive backing up your investment. Even if Coke's earnings continue to grow, the higher the share price you pay relative to those earnings, the greater the potential decline in the stock should investors suddenly sour on Coke, for whatever reason.

■ Stocks Under Pressure

Stocks tumbled in a late-day slide amid concern that share prices may have overshot earnings prospects, Bloomberg News reported.

Adding pressure to the market was news of the death of Deng Xiaoping, China's senior leader.

But traders said any reaction to the Chinese leader's death would be brief. "I don't think it has any implications for U.S. or European markets," said John Williams, managing director at Bankers Trust.

The Dow Jones industrial average closed 47.33 points lower at 7,020.13. Declining issues were even with advancers on the New York Stock Exchange.

The Standard & Poor's 500 Index fell 3.82 to 812.47, while the Nasdaq composite index, dominated by computer-related issues, fell 0.23 to 1,365.56.

Earlier computer stocks had rallied on unexpectedly strong earnings from Hewlett-Packard.

Hewlett-Packard soared after it said net income rose 15 percent to $912 million in the quarter ended Jan. 31, on sales of $10.3 billion.

But one analyst said, "There are an increasing number of people who think this market is overvalued."

Bond prices fell as traders dismissed a consumer prices report showing little inflation and fretted that a robust economy and low unemployment will drive prices and interest rates higher.

The benchmark 30-year Treasury bond was down 10/32 at 100 24/32, taking the yield up to 6.57 percent from 6.55 percent.

The U.S. reported that the consumer price index inched up 0.1 percent, the smallest gain in seven months, buoyed the belief that inflation will remain tame this year.

(Bloomberg, AP)

Very briefly:

IBM Developing Network Software

SAN JOSE, California (Bloomberg) — International Business Machines Corp. said Wednesday it would spend hundreds of millions of dollars during the next few years to create software for large corporate networks based on Sun Microsystem Inc.'s Java language.

The computer maker said it had software programmers working 24 hours a day, with development teams stationed in China, India, Latvia and the United States, writing programs that companies can use to create in-house software.

The developers are working on VisualAge PartPaks, a group of products that businesses can use to create their own software programs, ranging from market research to training. The PartPaks products are expected later this year.

• **American Express Co.'s American Express Travel Related** Services Co. unit said merchants could use the Internet to obtain credit-card authorizations and submit billings for transactions, cutting the cost of processing transactions.

• **Mexico's** central bank plans to use about $440 million of the proceeds from two recent bond sales to repay part of its debt to the International Monetary Fund.

• **Levi Strauss & Co.** will lay off about 1,000 U.S. employees this year in an effort to cut $80 million in costs, according to a newspaper report.

• **Marco Landi**, an executive who until recently was Apple Computer Inc.'s chief operating officer, has resigned amid a reorganization of the company's sales operations, which will now report directly to Gilbert Amelio, Apple's chairman.

• **Hershey Foods Corp.** said its $440 million purchase of Leaf Inc.'s North American confectionery businesses will cut its earnings by 5 cents to 10 cents a share through the 1997 financial year, but will begin adding to earnings in 1998.

• **Polaris Industries Inc.**, the world's largest snowmobile manufacturer, will begin making motorcycles under the brand name Victory in 1998.

Bloomberg, AP, NYT

4% in U.S. Work for Foreign Firms

The Associated Press

WASHINGTON — Underscoring the increasing influence of the global economy on the United States, the number of Americans working for foreign companies has more than doubled since 1980 to nearly 5 million, according to a new study.

The Organization for International Investment, a Washington trade association for foreign companies with U.S. operations, said in the study released on Tuesday that the largest concentration of these jobs in California, New York and Texas — accounting for a fourth of the total.

The number of Americans working for the subsidiaries of foreign companies increased from 2.03 million in 1980 to 4.87 million in 1994, the latest year for which statistics are available, the trade association said.

This represented a 140 percent increase compared with a gain in total U.S. jobs during this period of 24 percent.

The report said workers at the foreign-owned companies received wages that on average were 26 percent higher than wages paid to workers at other U.S. businesses.

"International investment means good paying jobs for American workers," said Richard Goldstein, the chief executive officer of Unilever United States and head of the trade group.

In 1980, the 2.03 million Americans working for foreign-owned companies represented 2 percent of the total civilian work force, while the 4.87 million total for 1994 represented 4 percent of the total work force.

Dollar Chugs Ahead Despite Warnings by Bundesbank

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was mostly higher Wednesday against other major currencies, shrugging off the Bundesbank's attempt to take the wind out of the U.S. currency's recent rally. The German central bank also dashed hopes for another cut in German interest rates.

The market also showed little response to news of the death of Deng Xiaoping, senior leader of China.

"I think in the West, Deng was largely viewed as a figurehead, so I wouldn't expect much reaction," said Michael Metz, chief investment strategist at Oppenheimer & Co. "It's really been several years since he faded to the background and the power there has already been passed on to others."

Traders keep their attention on a comment by the president of the Bundesbank, Hans Tietmeyer, who told a German newspaper of his "hopes" that the dollar's advance had "come to an end," signaling the central bank's discontent with a decline in the Deutsche mark that

FOREIGN EXCHANGE

could bring faster inflation in its wake.

Mr. Tietmeyer's comment knocked the dollar off its high of 1.7048 DM reached Tuesday. The U.S. currency was at 1.6981 DM, up from 1.6850 DM, in late trading.

"These remarks show clearly the Bundesbank is not happy with the dollar going above the 1.70 level," said Timo Klein, an economist at MMS International.

Interest-rate policy should have a clear orientation toward stability and not "provide speculative exaggerations with a breeding ground," the Bundesbank said in its monthly report, a remark that may have been designed to suppress talk of further rate cuts.

The report said using rates to stimulate economic growth could run the risk of pushing up inflation and result in a loss of credibility with financial markets.

The dollar was also at 124.425 yen, up from 123.895 yen.

The U.S. currency was also at 1.4857 Swiss francs, up from 1.4701 francs, and at 5.7340 French francs, up from 5.6895 francs.

The pound was at $1.6153, up from $1.6081. *(Reuters, Bloomberg)*

AMEX

Wednesday's 3:45 P.M.
The top 300 most active shares.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	3pm	Chg.
Indus	7045.53	7073.62	7032.06	7062.07	—5.39
Trans	2355.23	2355.28	2347.83	2349.37	—6.01
Util	231.27	231.76	230.16	230.64	—1.12
Comp	2163.12	2167.33	2158.83	2164.23	—3.46

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4:00
Industrials	950.96	939.45	950.90	946.86
Transp.	563.34	557.49	563.23	559.25
Utilities	200.54	199.36	200.53	199.08
Finance	96.37	94.91	96.37	95.86
SP 500	816.29	806.34	816.29	812.71
SP 100	793.59	784.37	793.59	791.05

NYSE

	High	Low	3PM	Chg.
Composite	427.83	425.87	427.16	+0.09
Industrials	535.10	532.20	534.10	+0.26
Transp.	366.42	364.69	364.92	—1.44
Utility	275.54	274.58	275.83	—0.31
Finance	401.91	399.71	401.48	+0.26

Nasdaq

	High	Low	3PM	Chg.
Composite	1370.15	1363.74	1369.23	+3.44
Industrials	1144.49	1141.96	1142.07	—2.11
Banks	1424.14	1418.20	1423.77	+5.81
Insurance	1502.70	1497.28	1502.70	+2.95
Finance	1774.02	1763.98	1774.02	+10.58
Transp.	867.91	864.63	867.61	+2.21

AMEX

High	Low	3PM	Chg.
600.63	597.93	599.56	+1.46

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	103.52	103.63
10 Utilities	100.43	100.59
10 Industrials	106.62	106.68

Most Actives

NYSE

	Vol.	High	Low	3PM	Chg.
HewlPk s	96862	56⅞	54½	56⅜	+4 9/16
CentenT s	53313	2⅝	1⅞	1⅞	—1¼
Fluor	53310	66⅞	62½	62⅝	—12⅝
Analog s	48337	25¼	20¾	24⅝	+⅜
MicmT	46078	36⅛	35⅜	35¼	—⅝
GtWFn	44157	45⅝	44¼	45	+⅛
AT&T s	37871	41	40½	40⅝	+¼
Medtronic	35544	68¼	65⅝	67⅞	—3½
HrzHlt	34229	17⅛	16½	16⅞	+⅜
TelMex	33356	41¼	40⅝	41	+1
PepsiCo s	32949	33¼	32½	33⅛	+⅜
Ahmans	30225	44½	43	43	—1⅞
WalMart	28561	24⅝	24⅜	24½	—⅜
RJRNab	28398	38	36⅜	37⅝	+¼
PhilMr	27926	133	130⅝	132⅝	+1½

Nasdaq

	Vol.	High	Low	3PM	Chg.
C-CUBE	53656	27⅛	23⅝	24⅛	—2⅝
Informix	52590	19	17⅞	18 11/16	+7/16
Intel	49615	155⅝	153¼	154 9/16	+3/16
Microsft s	43356	98⅛	96½	97⅝	+¼
Cisco	43209	65¼	63⅝	65	+1⅛
CascCm s	42684	32½	30⅜	30⅞	—1
DellCpt s	39748	75⅝	73⅝	75⅛	+¾
ForeSys s	39496	32⅛	30¼	32	+2⅝
Quantum	38431	42½	40⅝	42¼	+1⅞
SunMic s	35953	35	33½	34⅝	+1
US Robt s	35467	61½	59½	60⅜	—1⅛
WorldCm s	31443	27⅛	26⅞	26¼	—¼
MgfTech	31251	⅛	3/32	7/64	+1/64
Oracle s	30677	41⅞	40¼	41⅝	+⅞
VLSI	30550	17⅛	14⅞	17 9/16	+1 9/16

AMEX

	Vol.	High	Low	Last	Chg.
ViacB	28103	36⅝	35¼	35⅝	+⅜
EchoBay	12143	7¼	7	7⅛	—
Editek	7738	½	⅜	⅜	—1/32
Medeva	7058	18¼	17⅞	18 3/16	+5/16
SPDR	5800	82	81 1/32	81 15/32	—1/32
Harken	5454	4 11/16	4⅝	4 11/16	—
BemaGold	5120	7 3/16	6 15/16	7⅛	+1/16
Ampex	4256	7½	7 3/16	7¼	—1/16
RoyalO g	3989	3 9/16	3 7/16	3½	—
TWA	3915	6⅛	5 15/16	6 1/16	—1/16

Trading Activity

NYSE

	Noon	Prev.
Advanced	1126	1535
Declined	1196	1059
Unchanged	899	761
Total issues	3221	3355
New Highs	173	279
New Lows	20	19

Nasdaq

	Noon	Prev. Close
Advanced	1810	2045
Declined	1781	2072
Unchanged	2160	1635
Total Issues	5751	5752
New Highs	166	260
New Lows	42	68

AMEX

	Noon	Prev.
Advanced	227	304
Declined	235	263
Unchanged	177	192
Total issues	639	759
New Highs	18	32
New Lows		6

Market Sales

	Today 4:00	Prev. cons.
NYSE	513.39	584.94
Amex	19.18	26.12
Nasdaq	552.36	563.71

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
CIM Hi Yld Secs	-	.06	2-28	3-10
Chase Manh	-	1.365	3-14	3-31
Cross TimberRylty	-	.1868	2-28	3-14
San Juan Basin	-	.138	2-28	3-14
Torch Energy	-	.514	2-28	3-10
STOCK				
Citizens UtilA&B	-	1.6%	3-1	3-31
Portsmouth Bk	-	2%	3-1	3-15
STOCK SPLIT				
Cross TimbersOil 3 for 2 split.				
Farr Co 3 for 2 split.				
Penn Enterpr 2 for 1 split.				
INCREASED				
ArgentBank	Q	.14	2-28	3-14
Arrow Intl	Q	.045	2-28	3-17
City Holdings	Q	.18	3-3	3-17
MetroWest Bk	Q	.03	2-26	3-14
Nil Bk Canada g	Q	.15	3-27	5-1
SY Bancorp	Q	.12	3-14	4-1
UAP Inc g	Q	.105	2-28	3-15
SPECIAL				
HFNC Fncl	-	5.00	3-4	3-18
INITIAL				
Bk Yorba Linda	-	.05	3-7	3-31
CNB Fincl NY n	-	.12	2-28	3-10
Cross TimbrsOil n	-	.055	3-12	3-19
Donnelly Cp A n	-	.10	3-14	4-1
Tribune Co n	-	.36	3-3	3-13
REGULAR				
Abitibi-Price g	Q	.10	3-3	4-1
Acordia Inc	Q	.20	2-24	3-10
Baxter Intl	Q	.2825	3-10	4-1
Belmont Bncp	Q	.17	3-17	3-28
CIGNA Hi Inco	M	.0675	2-28	3-10
Caliber System	Q	.18	4-15	5-1
Champion Road g	Q	.05	3-12	4-2
Clayton Homes	Q	.02	3-26	4-16
Conrail Inc	Q	.475	3-3	3-17
Enron Glb Pwr	Q	.25	2-28	3-14
Gaylord Entertain	Q	.10	3-3	3-17
Gen Housewares	Q	.08	3-14	3-28
Georgia Gulf	Q	.08	3-17	4-4
Goodrich,BF.	Q	.275	3-10	4-1
Guidant Corp	Q	.025	3-4	3-18
HFNC Fncl	Q	.07	3-4	3-18
Keithley Instrum	Q	.03125	3-14	3-31
Kelly Svcs A&B	Q	.21	3-3	3-14
Kentek Info	-	.02	2-18	2-28

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Feb. 19, 1997

	High	Low	Close	Chge	OpInt
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	289¼	281½	286	+3¼	96,030
May 97	290¼	282¾	287	+3	105,527
Jul 97	288½	279¾	285½	+4	78,578
Sep 97	281	274	278½	+3	12,175
Dec 97	280¼	273	277¼	+3	51,459
Est. sales N.A. Tue's. sales 143,338					
Tue's open int 351,115 up 2089					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 97	257.70	254.20	254.70	—0.90	32,324
May 97	252.20	248.50	249.00	—0.90	29,483
Jul 97	248.50	245.50	245.80	—0.70	23,771
Aug 97	244.30	241.70	241.80	—0.90	4,471
Sep 97	236.20	234.50	234.50	—0.50	2,916
Oct 97	224.00	222.20	222.50	+0.40	1,235
Est. sales N.A. Tue's. sales 35,596					
Tue's open int 99,278 up 2685					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Mar 97	24.09	23.66	23.91	—0.02	32,019
May 97	24.48	24.09	24.31		27,212
Jul 97	24.88	24.46	24.70	+0.03	16,614
Aug 97	25.05	24.65	24.98	+0.09	3,270
Sep 97	25.14	24.82	25.05	+0.14	2,728
Oct 97	25.15	24.98	25.15	+0.10	935
Est. sales N.A. Tue's. sales 21,095					
Tue's open int 89,565 off 100226					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	784½	775	777	—2	58,685
May 97	785	775¾	777½	—1½	50,477
Jul 97	784½	775½	777	—1½	37,864
Aug 97	778½	769	770	—1½	7,882
Sep 97	739	732½	735		2,412
Est. sales N.A. Tue's. sales 79,626					
Tue's open int 178,236 up 3629					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	368	362½	363	—1½	20,401
May 97	366½	361½	362	—1	20,366
Jul 97	354	346¼	349½	+1¼	28,557
Sep 97	356½	351	354	+2¼	2,583
Est. sales N.A. Tue's. sales 15,972					
Tue's open int 74,376 up 406					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Apr 97	67.97	66.75	67.77	+1.20	42,364
Jun 97	64.45	63.85	64.32	+0.60	18,580
Aug 97	63.95	63.45	63.80	+0.42	19,154
Oct 97	67.70	67.12	67.60	+0.52	12,094
Dec 97	69.90	69.40	69.72	+0.45	4,525
Feb 98	70.90	70.63	70.85	+0.40	2,317
Est. sales N.A. Tue's. sales 14,433					
Tue's open int 100,611 up 1167					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Mar 97	67.75	67.05	67.65	+0.92	5,473
Apr 97	68.70	67.95	68.65	+0.85	3,463
May 97	70.70	69.85	70.47	+0.77	5,105
Aug 97	74.20	73.45	74.10	+1.02	4,317
Sep 97	74.65	73.65	74.35	+0.85	1,580
Oct 97	75.30	74.25	75.05	+0.90	1,944
Est. sales N.A. Tue's. sales 4,955					
Tue's open int 22,513 off 381					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Apr 97	72.65	71.95	72.40	+0.32	16,129
Jun 97	77.97	77.35	77.82	+0.42	6,887
Jul 97	76.70	76.10	76.57	+0.47	2,092
Aug 97	73.60	73.00	73.55	+0.45	2,272
Oct 97	66.55	66.00	66.50	+0.25	1,499
Dec 97	64.45	64.00	64.45	+0.25	766
Est. sales N.A. Tue's. sales 8,418					
Tue's open int 34,322 up 314					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	74.85	72.80	74.50	+1.32	449
Mar 97	75.10	73.20	74.70	+1.32	3,417
May 97	75.95	73.60	75.52	+1.57	3,658
Jul 97	75.05	73.60	74.70	+1.55	826
Aug 97	71.60	69.55	71.60	+2.15	329
Est. sales N.A. Tue's. sales 3,976					
Tue's open int 7,879 up 126					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1235	1225	1230	+5	1,699
May 97	1280	1268	1276	+9	36,462
Jul 97	1308	1300	1304	+7	18,260
Sep 97	1335	1332	1335	+8	10,349
Dec 97	1367	1358	1367	+13	6,011
Est. sales N.A. Tue's. sales 4,435					
Tue's open int 90,908 up 500					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	175.50	163.50	175.50	+7.40	8,282
May 97	165.00	154.00	165.00	—7.75	20,129
Jul 97	157.50	148.00	157.00	+5.50	6,022
Sep 97	149.00	141.50	149.00	+4.50	3,519
Est. sales N.A. Tue's. sales 19,221					
Tue's open int 41,208 off 534					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	11.27	10.89	11.26	+0.34	36,381
May 97	11.16	10.85	11.15	+0.32	42,331
Jul 97	10.85	10.63	10.85	+0.20	29,545
Oct 97	10.72	10.58	10.70	+0.11	21,399
Est. sales N.A. Tue's. sales 34,674					
Tue's open int 140,667 off 2717					

	High	Low	Close	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	78.70	77.40	78.55	—0.15	8,467
May 97	81.50	80.65	81.40	—0.20	9,793
Jul 97	84.00	83.80	84.60		3,823
Sep 97	87.50	86.80	87.50	—0.10	2,909
Est. sales N.A. Tue's. sales 3,276					
Tue's open int 26,238 off 569					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Feb 97	348.80	347.70	347.70	+0.20	2,596
Mar 97			347.50		65
Apr 97	349.10	347.30	347.50	—0.20	94,287
Jun 97	351.10	349.40	349.80	+0.10	25,584
Aug 97	352.80	352.80	352.80	+0.80	10,617
Oct 97	355.20	355.20	355.20	+0.80	5,177
Dec 97	358.00	357.00	357.00	+0.20	18,553
Feb 98	359.20	359.20	359.20		3,810
Est. sales N.A. Tue's. sales 21,383					
Tue's open int 194,794 off 2361					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Feb 97	112.70	110.00	112.00	+2.05	1,333
Mar 97	112.80	109.25	112.00	+2.40	22,401
Apr 97	110.00	109.40	109.50	+2.00	1,860
May 97	108.60	105.90	108.10	+2.18	10,208
Jun 97	106.70	106.60	106.60	+1.90	865
Jul 97	106.00	105.00	105.40	+1.60	4,761
Aug 97	104.80	104.80	104.80	+1.90	621
Sep 97	103.70	102.00	102.70	+1.45	2,653
Oct 97	103.00	103.00	103.00	+1.70	588
Est. sales N.A. Tue's. sales 7,413					
Tue's open int 55,076 up 1676					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Feb 97			520.70		14
Mar 97	524.00	515.50	518.50	—3.80	49,806
Apr 97			524.00		2
May 97	529.00	520.00	524.50	—1.90	25,412
Jul 97	531.50	525.80	529.00	—2.20	16,023
Sep 97	535.50	531.00	535.50	—0.40	3,211
Dec 97	542.00	538.80	540.00	—2.90	5,359
Jan 98			545.80		9
Est. sales N.A. Tue's. sales 17,067					
Tue's open int 99,563 up 537					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97	372.00	368.50	368.60	—2.80	19,765
Jul 97	373.50	372.50	372.50	—0.90	3,392
Oct 97	375.50	373.00	373.00	—2.50	2,407
Jan 98	379.00	379.00	379.00	+1.20	1,110
Est. sales N.A. Tue's. sales 3,119					
Tue's open int 25,792 off 882					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1572½	1573½	1544½	1545½
Forward	1605.00	1606.00	1578.00	1579.00
Copper Cathodes (High Grade)				
Spot	2427½	2429½	2359.00	2361.00
Forward	2342.00	2343.00	2285.00	2286.00
Lead				
Spot	658.00	659.00	651½	652½
Forward	666.00	667.00	660.00	661.00
Nickel				
Spot	7795.00	7805.00	7600.00	7610.00
Forward	7890.00	7900.00	7700.00	7702.00
Tin				
Spot	6010.00	6020.00	6010.00	6020.00
Forward	6055.00	6060.00	6050.00	6060.00
Zinc (Special High Grade)				
Spot	1207½	1208½	1192½	1193½
Forward	1230.00	1231.00	1215.00	1216.00

	High	Low	Close	Chge	OpInt
Financial					
UST. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	95.04	95.04	95.04	+0.01	5,751
Jun 97	94.95	94.93	94.93	—0.02	3,454
Sep 97	94.84	94.83	94.84		1,007
Dec 97			94.45		847
Est. sales N.A. Tue's. sales 1,368					
Tue's open int 10,412					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Mar 97	107-28	107-10	107-16	—03	185,214
Jun 97	107-06	106-60	107-08	—04	24,543
Sep 97			106-52		
Est. sales N.A. Tue's. sales 45,834					
Tue's open int 209,757 off 803					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	110-11	110-00	110-04	—03	384,899
Jun 97	109-23	109-14	109-16	—04	45,238
Sep 97			109-03		3,610
Est. sales N.A. Tue's. sales 79,307					
Tue's open int 383,937 up 3542					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	114-06	113-16	113-23	—04	483,885
Jun 97	113-21	113-00	113-08	—04	47,858
Sep 97	112-34	112-24	112-24	—06	11,517
Dec 97	112-13	112-08	112-08	—06	3,774
Est. sales N.A. Tue's. sales 303,463					
Tue's open int 547,092 off 2458					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	113-02	112-26	113-09	—0-09	203,199
Jun97	113-08	112-29	113-05	—0-10	13,805
Est. sales: 78,793. Prev. sales: 92,092					
Prev. open int.: 217,004 up 5,216					

	High	Low	Close	Chge	OpInt
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	103.06	102.44	102.49	—0.22	245,298
Jun97	103.02	102.75	102.66	—0.23	35,858
Est. sales: 233,390. Prev. sales: 232,080					
Prev. open int.: 281,156 up 8,792					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	132.86	132.42	132.62	—0.06	142,834
Jun 97	131.40	131.20	131.28	—0.06	20,714
Sep 97	129.70	129.52	129.60	—0.06	1,664
Dec 97	N.T.	N.T.	98.92	—0.06	0
Est. volume: 157,895. Open int.: 165,212 up 13,106.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	130.15	129.30	129.67	Unch.	123,582
Jun97	129.40	128.98	129.01	—0.01	17,903
Est. sales: 88,918. Prev. sales: 111,926					
Prev. open int.: 142,085 up 2,836					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Mar 00	93.53	93.49	93.49	—0.03	40,199
Jun 00	93.48	93.44	93.44	—0.03	34,679
Sep 00	93.44	93.40	93.40	—0.03	31,228
Dec 00	93.36	93.32	93.32	—0.03	25,594
Mar 01	93.35	93.32	93.33	—0.02	25,262
Jun 01	93.30	93.28	93.28	—0.02	20,319
Sep 01	93.27	93.23	93.24	—0.03	12,120
Dec 01	93.19	93.16	93.16	—0.03	9,799
Mar 02	93.18	93.16	93.17	—0.02	5,484
Jun 02	93.13	93.12	93.12	—0.02	5,056
Sep 02	93.08	93.08	93.08	—0.02	5,119
Dec 02	93.00	92.99	93.00	—0.02	5,613
Est. sales N.A. Tue's. sales 361,959					
Tue's open int 2,310,488 off 14565					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6170	1.6048	1.6140		35,040
Jun 97	1.6130	1.6028	1.6090		2,773
Sep 97			1.5992		1,869
Dec 97			1.5956		8
Est. sales N.A. Tue's. sales 15,241					
Tue's open int 38,880 up 1087					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7404	.7361	.7364		42,605
Jun 97	.7440	.7405	.7406		9,574
Sep 97	.7482	.7450	.7450		3,634
Dec 97	.7512	.7482	.7482		745
Est. sales N.A. Tue's. sales 7,773					
Tue's open int 56,628 up 828					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.5961	.5888	.5895		87,469
Jun 97	.5964	.5922	.5922		6,151
Sep 97	.5977	.5956	.5956		2,294
Dec 97			.6057		22
Est. sales N.A. Tue's. sales 35,448					
Tue's open int 95,936 off 2769					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.8129	.8060	.8066		77,531
Jun 97	.8201	.8143	.8163		3,484
Sep 97	.8317	.8300	.8300		671
Est. sales N.A. Tue's. sales 14,729					
Tue's open int 82,007 off 822					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.6833	.6722	.6733		50,258
Jun 97	.6890	.6785	.6790		3,272
Sep 97			.6848		1,964
Est. sales N.A. Tue's. sales 21,293					
Tue's open int 55,515 up 2577					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.75	93.71	93.74	+0.02	100,562
Jun97	93.60	93.52	93.56	+0.02	119,919
Sep97	93.43	93.34	93.38	Unch.	83,359
Dec97	93.28	93.22	93.24	—0.01	57,133
Mar98	93.20	93.13	93.14	—0.02	39,391
Jun98	93.12	93.05	93.06	—0.03	37,166
Sep98	93.06	92.99	92.99	—0.04	22,051
Dec98	92.97	92.92	92.92	—0.05	18,859
Mar99	92.93	92.86	92.85	—0.05	8,636
Jun99	92.86	92.79	92.79	—0.05	7,680
Sep99	92.80	92.76	92.74	—0.08	7,343
Dec99	92.76	92.74	92.70	—0.06	4,822
Est. sales: 84,651. Prev. sales: 116,938					
Prev. open int.: 506,921 off 1,471					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar97	96.86	96.83	96.83	—0.03	191,380
Apr97	96.89	96.87	96.86	—0.03	5,310
May97	96.90	96.88	96.86	—0.03	600
Jun97	96.89	96.85	96.85	—0.04	176,786
Sep97	96.83	96.77	96.78	—0.05	151,453
Dec97	96.69	96.63	96.64	—0.04	174,623
Mar98	96.53	96.47	96.47	—0.05	125,145
Jun98	96.35	96.29	96.29	—0.05	109,848
Sep98	96.14	96.08	96.08	—0.05	78,499
Dec98	95.91	95.84	95.85	—0.05	70,713
Mar99	95.68	95.65	95.63	—0.04	48,191
Jun99	95.45	95.41	95.40	—0.03	25,541
Sep99	95.21	95.17	95.17	—0.03	21,146
Dec99	94.96	94.91	94.92	—0.02	21,424
Mar00	94.75	94.71	94.71	—0.02	2,485
Jun00	94.52	94.52	94.50	—0.02	748
Sep00	94.36	94.36	94.32	—0.01	1,776
Dec00	N.T.	N.T.	94.15	—0.01	885
Est. sales: 139,097. Prev. sales: 118,878					
Prev. open int.: 1,304,543 up 10,022					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	92.82	92.73	92.79	—0.02	90,061
Jun97	93.36	93.24	93.31	Unch.	93,126
Sep97	93.68	93.52	93.62	+0.07	46,559
Dec97	93.80	93.63	93.74	Unch.	32,199
Mar98	93.83	93.68	93.76	—0.01	18,237
Jun98	93.82	93.68	93.77	—0.01	10,752
Est. sales: 63,345. Prev. sales: 96,667					
Prev. open int.: 290,933 up 1,278					

	High	Low	Close	Chge	OpInt
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.69	96.64	96.67	—0.02	62,033
Jun 97	96.72	96.67	96.68	—0.05	49,865
Sep 97	96.70	96.65	96.67	—0.04	36,120
Dec 97	96.65	96.60	96.61	—0.04	29,130
Mar 98	96.56	96.51	96.53	—0.03	18,550
Jun 98	96.43	96.39	96.40	—0.03	16,308
Sep 98	96.26	96.22	96.24	—0.02	11,987
Dec 98	96.06	96.04	96.05	—0.01	10,010
Mar 99	95.85	95.82	95.82	—0.02	12,676
Jun 99	95.61	95.57	95.60	—0.01	6,414
Sep 99	95.39	95.36	95.37	—0.02	3,789
Dec 99	95.17	95.15	95.15	—0.02	2,185
Est. volume: 66,762. Open int.: 259,070 off 1,491.					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	72.10	71.70	72.05	+0.40	13,608
May 97	73.69	73.38	73.57	+0.48	30,184
Jul 97	75.05	74.70	74.95	+0.03	11,261
Oct 97	76.10	75.75	75.90	+0.10	1,437
Dec 97	76.10	75.40	75.85	—0.17	13,215
Mar 98	77.00	76.55	76.55	—0.27	926
Est. sales N.A. Tue's. sales 29,028					
Tue's open int 71,321 up 3717					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Mar 97	60.15	59.15	59.60	+0.16	30,021
Apr 97	58.70	57.85	58.30	+0.32	27,297
May 97	57.35	56.70	57.15	+0.47	9,346
Jun 97	56.80	56.10	56.55	+0.47	7,665
Jul 97	56.60	56.30	56.50	+0.52	6,834
Aug 97	56.95	56.70	56.95	+0.62	4,060
Sep 97	56.50	56.50	54.50	—0.38	3,384
Oct 97			57.38		2,267
Nov 97	58.50	58.15	58.50	+0.62	1,928
Dec 97	59.15	58.70	59.80	+0.62	5,839
Est. sales N.A. Tue's. sales 33,833					
Tue's open int 106,699 up 2187					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Mar 97	22.75	21.90	22.74	+0.22	40,652
Apr 97	22.32	22.00	22.29	+0.17	76,821
May 97	21.98	21.72	21.98	+0.10	41,230
Jun 97	21.64	21.43	21.62	+0.11	37,733
Jul 97	21.33	21.15	21.35	+0.08	16,469
Aug 97	21.09	20.98	21.05		14,810
Sep 97	20.85	20.70	20.85	—0.01	15,981
Oct 97	20.80	20.66	20.70	+0.01	11,547
Nov 97	20.56	20.55	20.56	+0.02	9,218
Dec 97	20.45	20.34	20.45	+0.03	24,968
Jan 98	20.40	20.32	20.32		13,871
Feb 98	20.31	20.25	20.31	+0.05	8,172
Mar 98	20.25	20.25	20.25	+0.04	2,191
Est. sales N.A. Tue's. sales 98,189					
Tue's open int 392,874 off 2221					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Mar 97	2.050	1.930	2.030		30,725
Apr 97	2.040	1.955	2.010		26,611
May 97	2.030	1.960	2.015		14,721
Jun 97	2.015	1.980	2.010		10,039
Jul 97	2.020	1.975	2.010		9,804
Aug 97	2.030	1.980	2.030		7,817
Sep 97	2.040	2.000	2.035		7,236
Oct 97	2.060	2.028	2.050		8,819
Nov 97	2.200	2.120	2.180		5,185
Dec 97	2.320	2.235	2.290		8,270
Jan 98	2.355	2.260	2.330		6,834
Est. sales N.A. Tue's. sales 47,273					
Tue's open int 172,989 up 3374					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Mar 97	64.85	63.70	64.65	+0.49	25,084
Apr 97	66.25	65.25	66.05	+0.53	27,920
May 97	65.95	65.20	65.80	+0.53	14,752
Jun 97	65.10	64.90	64.95	+0.58	9,337
Jul 97	63.90	63.50	63.90	+0.93	5,194
Aug 97	62.15	62.10	62.10	+0.63	4,027
Est. sales N.A. Tue's. sales 20,739					
Tue's open int 89,389 up 1483					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Mar 97	177.25	175.50	176.00	+1.00	19,943
Apl 97	177.00	175.00	176.00	+0.75	9,127
May 97	176.00	175.25	176.00	+1.25	5,015
Jun 97	176.25	175.50	176.25	+1.50	8,384
Jul 97	177.00	176.75	177.00	+1.75	3,640
Aug 97	N.T.	N.T.	177.75	+1.75	1,107
Sept 97	N.T.	N.T.	178.75	+2.00	1,068
Oct 97	N.T.	N.T.	179.75	+2.25	1,304
Nov 97	N.T.	N.T.	180.50	+2.25	596
Dec 97	180.50	180.25	181.25	+2.25	5,256
Est. sales: 8,675. Open int.: 56,784 up 18					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	820.20	815.50	819.20	+0.85	185,031
Jun 97	827.40	823.55	827.30	+1.35	12,173
Sep 97	833.70	833.00	833.70	—0.05	1,826
Dec 97			841.85		1,847
Est. sales N.A. Tue's. sales 61,585					
Tue's open int 200,877 up 3836					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4347.0	4324.0	4341.0	+12.0	58,672
Jun97	4358.0	4354.0	4362.0	+13.0	6,198
Sep97	4381.0	4381.0	4388.0	+12.0	1,901
Est. sales: 12,361. Prev. sales: 11,515					
Prev. open int.: 66,771 off 225					
CAC 40 (MATIF) FF200 per index point					
Feb 97	2631.0	2592.0	2599.0	—20.00	26,887
Mar 97	2635.0	2600.0	2605.5	—20.00	23,555
Apr 97	2632.0	2632.0	2607.0	—20.00	217
Jun 97	2592.0	2592.0	2572.0	—20.00	3,288
Sep 97	N.T.	N.T.	2584.0	—20.00	6,520
Dec 97	N.T.	N.T.	2603.5	—20.00	0
Mar 98	N.T.	N.T.	2621.0	—20.00	7,829
Sep 98	N.T.	N.T.	2596.0	—20.00	710
Est. volume: 18,326. Open int.: 69,006 up 84.					

هدية من الأهرام

هكذا من الاصل

Prodi Sets New Cuts; Communists Object

Compiled by Our Staff From Dispatches

ROME — Prime Minister Romano Prodi said Wednesday he had prepared the framework for a fresh budget to ensure that Italy is a founding member of the single European currency and would be introducing the package in the coming weeks.

But the Refounded Communist Party, which secures Mr. Prodi's majority in the lower house of Parliament, asked whether new budgetary pain was worth the cost and cast doubt on prospects for European economic and monetary union.

Just two months after presenting a budget for 1997 that contained a total of 62.5 trillion lire ($37.2 billion) in spending cuts and new taxes, Mr. Prodi's office said Italy needed more measures to tame the public-sector deficit and meet tough criteria for the monetary union.

Financial markets expect the supplemental budget to contain 14 to 15 trillion lire in new cuts.

Mr. Prodi said the package of measures would be introduced in the coming weeks, as soon as the Treasury knew how much money had to be raised. Official state accounts are due in March.

"This budget, tied to progress already made, will allow Italy to meet the necessary objectives needed to fully satisfy the Maastricht treaty," a statement issued by the prime minister's office said.

Mr. Prodi has visited Germany twice in the past two weeks to press Italy's case to be a founder of the single currency.

Meanwhile, doubts over Italian participation in the start of monetary union put pressure on the lira. The Deutsche mark rose to 995 lire on Wednesday from 989.05 lire on Tuesday.

An analyst at HSBC Markets, Philip Tyson, said that the Italian currency "was suffering from uncertainties surrounding its participation in EMU."

Separately, the European Commission said its statistics division would rule Friday on accounting methods used by the Italian government to reduce its budget deficit in order to qualify for the planned common currency.

The commission finance spokesman, Patrick Child, said he expected the announcement by Eurostat to cover such items as the one-time "tax for Europe" and interest payments on state railroad loans.

The tax would cut the deficit by 0.6 percent to 0.7 percent of gross domestic product, bringing Italy toward the target of 3 percent of GDP for adopting the single currency. Last year's deficit was about 7 percent of GDP. *(Reuters, Bloomberg)*

■ German GDP Stagnates

German gross domestic product stagnated in the last quarter of 1996 compared with the third, but was up by about 2 percent from the last quarter of 1995, the Bundesbank said in its February report to be released Thursday, news agencies reported from Frankfurt.

The central bank also called on the government to make every effort to hold to the 1997 budget, and said the dollar's appreciation against the mark was due to the strong U.S. economy and an interest rate differential in the dollar's favor.

Separately, the DIW research institute said GDP would probably drop in the first quarter from the previous three months because slumping export demand had caused new orders to dive.

"The latest information about new order intake from industry, as well as the development of the unemployment figures, show no upward trend," the institute said.

(AFP, Bloomberg)

'Serious Error' on Computer

Silicon Graphics Regrets a Sale in Russia

By David E. Sanger
New York Times Service

WASHINGTON — The chairman of Silicon Graphics Inc. said his company "made some serious judgmental errors" when it shipped two small supercomputer systems last month to a Russian laboratory that designs nuclear weapons and performs computer simulations of nuclear explosions.

"It is possible we were duped," Edward McCracken, the chairman and chief executive of the company, said Tuesday.

U.S. officials, who had turned down applications from IBM Corp. and Hewlett-Packard Co. to ship comparable computers to the same laboratory, have referred the case to the U.S. attorney in San Jose, California, which has opened an investigation.

Silicon Graphics, which is based in Mountain View, California, acquired Cray Research Inc., the nation's premier supercomputer maker, last year. But the computers shipped to Chelyabinsk-70, where most Russian nuclear warheads were designed during the Cold War, were designed by Silicon Graphics before the Cray acquisition.

They are "parallel processors" equipped with eight R1000 processors made by MIPS Technologies Inc., a manufacturer of specialized, high-speed microprocessors.

Individually, those processors are legal to ship to Russia; they are not much more powerful than the kind of processor found in advanced personal computers. But strung together they can form the basis of a supercomputer. Silicon Graphics recently sold a far more powerful 3,000-processor machine to Los Alamos National Laboratory, which also does advanced weapons design.

The Commerce Department began an investigation into Silicon Graphics' shipment to Chelyabinsk-70 because it appeared that it violated the guidelines that now govern exports to Russia. Post-Cold War export-control regulations require that any products sold to a customer known to be a "weapons proliferator" have to be licensed.

The sale became known to the Commerce Department last month when it was announced by the Russian government.

[Mr. McCracken said his company did not realize the customer in the $650,000 sale — the All-Scientific Research Institute for Technical Physics — was actually a nuclear weapons laboratory, The Associated Press reported.]

Mr. McCracken said that his company's procedures for selling computers to Russia have now been revised so that he must personally approve any sale.

The question that investigators are researching is who is responsible for the sale — the Russian government; a Russian "systems integrator" that put the system together, named Catalyst Silicon Solutions; or Silicon Graphics' own office in Moscow, which is run by Russians.

Car Sales Give Volvo Profit a Lift

Compiled by Our Staff From Dispatches

STOCKHOLM — Volvo AB reported a greater-than-expected fourth-quarter profit Wednesday as improved earnings at the car division helped offset a continuing slump in truck sales.

The Swedish auto company also said it would buy back 5 percent of its stock at a premium to the current share price.

Fourth-quarter pretax profit fell 5 percent, to 2.17 billion kronor ($289.3 million) from 2.28 billion kronor in the comparable period a year earlier. Analysts had expected a 26 percent decline. Quarterly sales were unchanged at 42.4 billion kronor.

Volvo Cars swung to a fourth-quarter operating profit of 925 million kronor, compared with a loss of 841 million in the fourth quarter of last year.

But the truck unit suffered a 56 percent decline in profit to 465 million kronor in the quarter.

Full-year profit rose 9 percent, to 14.2 billion kronor, including one-time gains such as profit from the sale of Pharmacia & Upjohn shares. But Volvo sales fell to 156.06 billion kronor from 171.51 billion.

Volvo shares closed at 179 kronor, down 1 krona.

"The figures look quite good," said Colin Gibson, analyst at UBS in London. "The share buyback is good news. Clearly, they don't think they can invest all of it in their core businesses, so this is a good thing to do with the money."

(Bloomberg, AFP)

HSBC Unit Purchases U.K. Rolling Stock Firm Eversholt

Bloomberg News

LONDON — A leasing and finance unit of HSBC Holdings PLC said Wednesday that it had agreed to buy the British train-leasing company Eversholt Holdings Ltd. for £726.5 million ($1.16 billion), drawing the ire of the opposition Labour Party.

The unit agreed to pay £410.9 million in cash and another £42.5 million in loan notes for Eversholt.

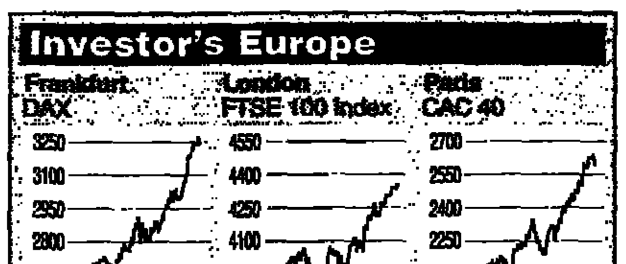
The sale comes a year after the Conservative government sold Eversholt, which owns a third of Britain's rolling stock, to a management buyout team for £580 million as part of its plan to sell off British Rail.

Labour, on hearing of the sale before it was formally announced, complained Tuesday that the company would be sold too cheaply and would leave managers who participated in the buyout with windfall profits.

Forward Trust, the HSBC unit, dismissed the charges.

"We are not opportunistic," Chief Executive Graham Picken said. "We're making a long-term commitment to the U.K. rail sector."

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	738.23	735.42	+0.38
Brussels	BEL-20	2,104.65	2,111.51	-0.32
Frankfurt	DAX	3,233.75	3,276.16	-1.29
Copenhagen	Stock Market	549.22	545.08	+0.76
Helsinki	HEX General	2,860.51	2,865.82	-0.19
Oslo	OBX	628.75	611.00	+1.60
London	FTSE 100	4,357.40	4,332.30	+0.58
Madrid	Stock Exchange	481.20	481.29	-0.02
Milan	MIBTEL	12,160.00	12,238.00	-0.64
Paris	CAC 40	2,594.76	2,617.52	-0.87
Stockholm	SX 16	2,819.14	2,816.49	+0.09
Vienna	ATX	1,212.75	1,210.90	+0.24
Zurich	SPI	2,870.95	2,853.98	+0.59

Source: Telekurs — International Herald Tribune

Very briefly:

- Austria has drafted legislation opening its state-controlled broadcasting market to private radio and television stations.
- **Allianz AG**'s 1996 net profit rose 10 percent, to 2.2 billion Deutsche marks ($1.29 billion), fueled by reduced underwriting losses and favorable currency rates that helped lift premium income by 6 percent, to 74.7 billion DM.
- **Forges de Clabecq SA** lost its legal authority to continue steel operations after creditor banks declined to make emergency loans to the Belgian steel company that was declared bankrupt last month, the Belga national news agency reported. Judge Luc Verslnys also ordered the caretaker administration to concentrate on finding a buyer for the steel works.
- **Virgin Group** has won a 15-year franchise to operate Britain's **InterCity West Coast** rail services between London and Scotland.
- **WPP Group PLC**'s 1996 net profit increased 46 percent, to £102.7 million ($164.5 million), as sales increased 8 percent, to £7.08 billion, amid stronger international advertising.
- **Bombardier Inc.** will invest £130 million and hire 1,000 people at the Canadian planemaker's Short Brothers PLC unit in Northern Ireland to work on two new jets.
- **Medeva PLC**'s 1996 pretax profit fell 52 percent, to £38.3 million, due to restructuring costs. Profit before one-time charges rose 33 percent, to £105.1 million, as sales rose 29 percent, to £331.8 million, led by the hyperactivity drug methylphenidate.
- **The European Commission** has ordered **Kesko Oy** to sell most of **Tukkukauppojen Oy** to restore its share of the market to the level the No. 1 Finnish retailer held before acquiring the rival.
- **Iberia** has resigned itself to losses from the closure this week of **Venezolana Internacional de Aviacion SA**, a company representative said. The Spanish airline is Viasa's biggest creditor.

Bloomberg, Reuters, AP, AFX

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	152.97	+0.17	+0.11	+16.00
Regional Indexes				
Asia/Pacific	110.11	-0.65	-0.59	-17.89
Europe	160.51	-0.12	-0.07	+15.33
N. America	181.08	+1.30	+0.72	+41.16
S. America	141.40	+0.24	+0.17	+58.81
Industrial Indexes				
Capital goods	178.70	+0.75	+0.42	+34.48
Consumer goods	175.26	+0.78	+0.45	+26.94
Energy	179.10	+0.45	+0.25	+32.06
Finance	110.81	-0.55	-0.49	-12.91
Miscellaneous	159.56	+0.75	+0.47	+17.49
Raw Materials	183.22	-0.57	-0.31	+29.21
Service	142.50	+0.33	+0.23	+18.75
Utilities	132.99	-0.91	-0.68	+4.60

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — *Compiled by Bloomberg News.*

WORLD STOCK MARKETS

Wednesday, Feb. 19
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 738.23 — Previous: 735.42

	High	Low	Close	Prev.
ABN-AMRO	136.40	134.40	135.60	135.30
Aegon	125.20	122.60	124.70	124.80
Ahold	121.90	120	120.70	122.10
Akzo Nobel	285	281.30	282.50	284.50
Baan Co.	92.10	91	91.50	92.70
Bols Wess cva	34	32.90	33.10	33.80
CSM cva	116.40	114.50	114.60	116.50
Dordtsche Pet	363.50	357	361.50	362.20
DSM	186	182	183.20	185
Elsevier	31.10	29.70	30.90	29.70
Fortis Amev	73.30	71.50	72.40	73.10
Getronics	62.50	60.60	61.70	62.50
G-Broc cva	59.50	58.50	59.20	59.30
Hagemeyer	149.50	148	148	149.50
Heineken	338.90	327.10	328.70	329.10
Hoogovens cva	78.50	77.20	78.10	78.10
Hunt Douglas	148.40	137.70	140	140.40
ING Group	74.20	72.80	73.40	74.10
KLM	55	53.90	54.40	54.50
KNP BT	42	41.30	41.60	41.70
KPN	71	69.50	70	71
Nedlloyd Gp	57.40	56.40	57	57.30
Nutricia	287	281.90	284.20	286.70
Oce Grinten	245	237.70	244	242.30
Philips Elec	84.80	81.20	84.80	81.20
Polygram	89.50	86.60	87	87
Randstad Hdg	139.90	136.50	136.50	140
Robeco	162.50	161.20	161.20	162.60
Rodamco	61.30	60.30	60.50	61.50
Rolinco	166.30	165.20	166	167.20
Rorento	110.20	109.90	109.90	110.80
Royal Dutch	342	337.90	340.50	341.60
Unilever cva	363.20	357.60	363.20	359.70
Vendex Intl	90	88.20	88.60	88.20
VNU	39.20	38.60	39.10	39
Wolters Kl cva	250.50	237	249.90	236.50

Bangkok
SET index: 771.74 — Previous: 768.15

	High	Low	Close	Prev.
Adv Info Svc	242	222	242	220
Bangkok Bk F	240	218	236	224
Krung Thai Bk	41.75	38.50	41.50	39
PTT Explor	344	328	344	328
Siam Cement F	704	648	704	648
Siam Com Bk F	151	142	148	139
Telecomasia	48.50	46.25	48	45.50
Thai Airways	40.75	38	40.75	37.25
Thai Farm Bk F	150	135	147	132
Utd Comm	161	152	161	153

Bombay
Sensex 30 index: 3528.44 — Previous: 3538.23

	High	Low	Close	Prev.
Bajaj Auto	941	907	934	919.75
Hindust Lever	905	892	903.25	898.75
Hindust Petm	386	379	383.50	387
Ind Dev Bk	97.50	95	97.25	97
ITC	419.75	408	417.75	416.25
Mahanagar Tel	240.75	235.75	238.50	240.25
Reliance Ind	273	265.75	272.25	272.25
State Bk India	290.50	280.50	289.25	288.75
Steel Authority	22.25	21.75	22.25	22.25
Tata Eng Loco	345	335.25	343.50	346

Brussels
BEL-20 index: 2104.65 — Previous: 2111.51

	High	Low	Close	Prev.
Almanij	12750	12500	12500	12700
Barco Ind	5900	5870	5820	5850
BBL	7300	7200	7200	7240
Bekaert	21325	21250	21325	21325
CBR	3340	3285	3300	3290
CMB	2400	2375	2400	2390
Cobepa	1310	1298	1298	1310
Cockerill	125	123	123	123
Colruyt	15400	14950	15025	15150
Delhaize Lion	2030	2005	2020	2020
Electrabel	8140	8050	8100	8090
Electrafina	3330	3280	3300	3295
Fortis AG	5950	5810	5810	5940
Gevaert	2520	2460	2500	2570
GIB	1585	1520	1520	1575
GBL	4798	4645	4750	4655
Gen Banque	12375	12200	12200	12400
Kredietbank	11725	11600	11600	11650
Petrofina	12775	12350	12525	12475
Powerfin	4890	4840	4840	4890
Royale Belge	8270	7890	8000	7870
Soc Gen Belg	2820	2780	2805	2780
Solvay	21600	21425	21525	21475
Tractebel	14925	14875	14875	14850
UCB	95000	94200	94400	94500
Union Miniere	2690	2610	2625	2670

Copenhagen
Stock index: 549.22 — Previous: 545.06

	High	Low	Close	Prev.
BG Bank	308	296	304	301
Carlsberg B	418	411	414	415
Codan Fors	998	975	980	980
Danisco	384	377	381	380
Den Danske Bk	617	565.33	617	590
D/S Svendborg B	286000	284000	285000	282000
D/S 1912 B	198000	193000	198000	195500
FLS Ind B	874	865	870	870
Kob Lufthavne	695	689	690	695
Nvo Nordisk B	625	615	620	618
Sophus Ber B	922.70	887	890	915.91
Tele Danmk B	370	364	365	367
Tryg Baltica	370	365	369.55	365
Unidanmark A	363	348	355	355

Frankfurt
DAX: 3233.75 — Previous: 3276.16

	High	Low	Close	Prev.
AMB B	1080	1050	1080	1050
Adidas	162	159	159	163.90
Allianz Hdg	3310	3232	3240	3322
Altana	1437	1429	1436	1435
Bk Berlin	32.40	32.05	32.35	32.33
BASF	64	63.50	63.63	64.20
Bayer Hypo Bk	51.55	50.50	50.68	52.50
Bay.Vereinsbank	63.35	63	63.30	63.90
Bayer	71	70.35	70.45	70.72
Beiersdorf	96.90	95.50	96.40	95.80
BMW	1169.50	1162	1166	1184
Commerzbank	43.15	42.85	42.85	43.70
Daimler Benz	123	122.25	122.95	123.80
Degussa	718	713	718	719.50
Deutsche Bank	88.45	88.02	88.18	88.35
Deut Telekom	32.30	32.20	32.30	32.72
Dresdner Bank	54.85	53.80	54.40	54.62
Fresenius	345.50	333	344.50	339.90
Fresenius Med	146.90	146	146.70	146.20
Krupp Hoesch	259	258	258	260
Gehe	115.70	114.70	115.10	115.85
Heidelbg Zmt	137.50	135	137.50	138
Henkel pfd	87.70	86.50	86.80	88.90
Hochtief	77	76.20	76.25	76.50
Hoechst	75.10	74.60	74.70	76.90
Karstadt	525	520	523	522.50
Linde	1094	1083	1083	1125
Lufthansa	23.20	23	23.10	23
MAN	445	440.50	441.50	452
Mannesmann	688	677.50	678	691.50
Metallgesellschaft	33.95	33.40	33.60	33.38
Metro	140.50	139.90	139.80	136.10
Munch Rueck R	4170	4120	4120	4205
Preussag	414	409	411.50	414.90
RWE	75.30	73.80	74.10	76.30
SAP pfd	260	257	257.80	259.80
Schering	143.40	141.50	142.30	144.65
Siemens	86.10	84.70	85.80	85.52
Thyssen	325	321.50	322	327.10
Veba	95	93.95	94.95	95.95
VEW	504	503	504	500
Viag	696	690.50	690.50	704
Volkswagen	798	792.50	798	802.50

Helsinki
HEX General index: 2868.51 — Previous: 2865.82

	High	Low	Close	Prev.
Cultor I	295	290	294	290
Enso A	41.90	41.50	41.50	42.20
Huhtamaki I	223	218	222	219.50
Kemira	57.80	57.30	57.30	57.50
Kesko	75	73	74	75.20
Merita A	18.70	18.30	18.30	18.70
Metra B	312	300	304.50	302
Metsa-Serla B	42	41.40	41.70	42
Neste	142	137	140	138.50
Nokia A	305	297.50	305	304
Orion-Yhtymae	183.50	181	183	182
Outokumpu A	84.50	83	83	83
Rautaruukki	45	44.20	44.50	45
Sampo Insur	450	448	450	447
UPM-Kymmene	106	103.60	104.80	105
Valmet	97	94	95	95

Hong Kong
Hang Seng: 13184.32 — Previous: 13182.94

	High	Low	Close	Prev.
Amoy Props	9.80	9.65	9.75	9.70
Bk East Asia	33.40	33.30	33.50	33.30
Cathay Pacific	12.05	11.80	11.80	11.95
Cheung Kong	72.50	70.75	71.50	72.25
CK Infrastruct	20.50	20	20.20	20.30
China Light	34.80	34	34	34.60
China Ovsea Ld	4.03	3.88	4	3.83
China Res Ent	15.80	15.05	15.85	15.50
Chin Estates	8.25	8.05	8.15	8.25
Citic Pacific	38	37.50	37.80	37.70
Cosco Pacific	9.35	9.15	9.35	9.30
Dao Heng Bk	37.40	36.40	37.40	36.20
First Pacific	11.05	10.90	11	10.95
Great Eagle	29.80	28.55	29	29.55
Guangdong Inv	6.80	6.60	6.60	6.70
Guoco Group	40.90	40	40.40	41
Hang Lung Dev	15.80	15.50	15.60	15.75
Hang Seng Bk	89	87.25	89	88
Henderson Inv	8.70	8.65	8.65	8.75
Henderson Ld	68.50	67.25	67.50	69
HKR Intl	11.25	11.10	11.25	11.30
HK China Gas	14.55	14.35	14.50	14.45
HK Electric	26.95	26.60	26.70	26.75
HK Shang Htls	13.95	13.85	13.95	13.90
HK Telecomm	13.30	13.20	13.25	13.25
Hopewell Hdgs	4.45	4.38	4.43	4.43
HSBC Hdgs	185	183.50	185	184
Hutchison Wh	57	55.50	56.75	56.50
Hysan Dev	26.40	26.05	26.25	26.35
Johnson El Hdg	23.50	23.20	23.20	23.55
Kerry Props	19.60	19.40	19.60	19.40
Natl Mutual	8.20	8.05	8.10	8.20
New World Dev	47.50	46	47.20	47.30
N World Infrastr	22.20	21.90	22	22.15
Oriental Press	2.73	2.63	2.63	2.70
Pearl Oriental	6.05	5.85	5.95	5.95
Shanghai Indus	28.30	27.80	28.25	28.35
Shangri-La Asia	10	9.75	9.85	10.10
SHK Props	89	87.25	88.25	88.50
Shun Tak Hdgs	5.30	5.20	5.25	5.30
Sino Land Co.	8.80	8.60	8.75	8.75
Sth China Post	7.20	7	7.15	7
Swire Pac A	65	63.25	65	64
Tsim Sha Tsui	22.20	21.10	22.20	21.90
TV Broadcasts	34.40	33.50	33.70	34.20
Wharf Hdgs	33.70	32.90	33.80	33.30
Wheelock	20	19.40	19.95	19.50

Jakarta
Composite index: 694.88 — Previous: 695.22

	High	Low	Close	Prev.
Astra Intl	6375	6300	6350	6350
Bk Intl Indon	1975	1925	1975	1925
Bk Negara	1750	1700	1725	1675
Gudang Garm	11150	10900	11025	10850
Indocement	3550	3525	3550	3550
Indofood	5450	5300	5350	5475
Indosat	7100	7000	7000	7100
Sampoerna HM	14300	13775	13775	14300
Semen Gresik	7200	7050	7050	7200
Telekomunikasi	4175	4150	4150	4125

Johannesburg
All Ordinaries: 7187.70 — Previous: 7094.24

	High	Low	Close	Prev.
Amalgamtd Bks	28.80	27.75	28	28.75
AngloAm Coal	311.50	308	311.50	308
AngloAm Corp	276.75	274.75	275	276.50
AngloAm Gold	340	332	339.75	338.50
AngloAm Ind	177	176	177	175.50
Barlow	51.75	51	51.50	51.25
C.G. Smith	26.60	26.10	26.20	26.70
De Beers	151	149.50	150.50	150
Driefontein	48.50	47	48.40	46.40
Fst Natl Bk	27	26.45	26.90	26.75
Gencor	19.70	19.35	19.70	19.45
GFSA	124	123	123.75	122.75
Iscor	3.57	3.54	3.54	3.54
Liberty Hdgs	343.50	342.50	343.50	343
Liberty Life	130.75	129.50	130.75	130
Minorco	104	102.50	103.50	105
Nampak	19.50	19.35	19.50	19.50
Nedcor	79.75	78.25	78.75	79
Rembrandt Gp	47.50	46.80	47.50	47.60
Richemont	64.75	64.25	64.50	64
Rust Platinum	76.50	74.50	76.50	77
SA Breweries	141.50	138.75	140	141.50
Samancor	54.75	54.75	54.75	54.75
Sasol	52	51.50	52	51.75
SBIC	185	180	185	180
Tiger Oats	73.25	73	73	73

Kuala Lumpur
Composite: 1258.44 — Previous: 1247.90

	High	Low	Close	Prev.
Genting	17	16.90	17	16.90
Mal Banking	29.50	28.75	29	28.75
Mal Intl Ship F	6.35	6.15	6.25	6.15
Petronas Gas	9	8.95	9	9
Proton	5.15	4.94	4.98	4.94
Resorts World	12.20	11.90	12	12.20
Sime Darby	9.75	9.25	9.70	9.35
Telekom Mal	19.40	19.10	19.30	19.30
Tenaga	12.30	12	12.10	12
Utd Engineers	23.10	22.90	23	23

London
FT-SE 100: 4357.40 — Previous: 4332.30

	High	Low	Close	Prev.
Abbey Natl	8.05	7.92	7.99	7.94
Allied Domecq	4.47	4.29	4.36	4.32
Anglian Water	6.40	6.30	6.37	6.28
Argos	7.06	6.93	6.97	6.95
Asda Group	1.17	1.15	1.16	1.16
Assoc Br Foods	5.05	4.98	5.02	5.04
BAA	5.33	5.26	5.27	5.28
Barclays	11.37	10.89	11.08	11.22
Bass	8.67	8.51	8.61	8.55
BAT Ind	5.62	5.28	5.50	5.28
Bank Scotland	3.64	3.58	3.64	3.58
Blue Circle	3.93	3.83	3.88	3.86
BOC Group	9.42	9.33	9.36	9.40
Boots	6.94	6.82	6.86	6.86
BPB Ind	3.47	3.44	3.45	3.46
Brit Aerosp	12.39	12.29	12.34	12.35
Brit Airways	6.40	6.16	6.17	6.16
BG Plc	1.79	1.74	1.78	1.75
Brit Land	5.30	5.22	5.30	5.25
Brit Petm	7.15	6.73	6.84	6.89
BSkyB	6.40	6.23	6.23	6.34
Brit Steel	1.44	1.42	1.42	1.41
Brit Telecom	4.43	4.37	4.38	4.38
BTR	2.43	2.39	2.42	2.43
Burmah Castrol	10.35	10.23	10.30	10.26
Burton Gp	1.55	1.54	1.54	1.54
Cable Wireless	5.15	5.06	5.10	5.06
Cadbury Schw	4.92	4.87	4.88	4.89
Carlton Comm	5.63	5.54	5.58	5.63
Coml Union	7.22	7.12	7.16	7.19
Compass Gp	7.30	7.08	7.14	7.14
Courtaulds	3.75	3.68	3.71	3.76
Dixons	5.21	5.16	5.19	5.16
Electrocomponents	4.18	4.10	4.15	4.16
EMI Group	12.75	12.15	12.28	12.22
Enterprise Oil	6.52	6.40	6.46	6.48
For Colonial	1.60	1.58	1.60	1.59
Gen'l Accident	8.66	8.43	8.52	8.46
GEC	3.78	3.73	3.75	3.75
GKN	9.24	9.10	9.13	9.22
Glaxo Wellcome	10.50	10.24	10.35	10.27
Granada Gp	9.35	9.26	9.29	9.30
Grand Met	4.65	4.58	4.61	4.57
GRE	2.97	2.93	2.97	2.95
Greenalls Gp	5.57	5.49	5.53	5.55
Guinness	4.49	4.48	4.44	4.39
GUS	6.71	6.59	6.60	6.63
Hanson	0.91	0.89	0.89	0.91
Hays	5.78	5.74	5.76	5.76
HSBC Hldgs	15.55	14.89	14.94	14.98
ICI	7.65	7.56	7.62	7.56
Impl Tobacco	4.33	4.20	4.29	4.18
Kingfisher	6.65	6.58	6.60	6.62
Ladbroke	2.36	2.30	2.33	2.36
Land Sec	7.84	7.78	7.79	7.78
Lasmo	2.40	2.35	2.37	2.34
Legal Genl Grp	4.04	3.98	4	4.09
Lloyds TSB Gp	5.37	5.21	5.32	5.29
LucasVarity	1.98	1.94	1.94	1.99
Marks Spencer	4.92	4.87	4.88	4.91
MEPC	4.75	4.70	4.75	4.73
Mercury Asset	13.55	13.41	13.49	13.43
National Grid	2.10	2.08	2.09	2.06
Natl Power	5.07	4.98	5.02	5
NatWest	8.12	7.95	8	8.14
Next	6.04	5.93	5.95	6
Orange	2.16	2.10	2.12	2.15
P&O	6.57	6.50	6.51	6.54
Pearson	7.57	7.47	7.50	7.48
Pilkington	1.33	1.30	1.32	1.33
PowerGen	6.52	6.47	6.48	6.46
Premier Farnell	5.33	5.28	5.33	5.30
Prudential	5.68	5.57	5.61	5.62
Railtrack PP	4.12	3.96	4.01	3.97
Rank Group	4.22	4.08	4.14	4.18
Reckitt Colm	7.68	7.57	7.61	7.64
Redland	3.54	3.45	3.49	3.48
Reed Intl	11.54	11.07	11.41	11.02
Rentokil Initial	4.81	4.68	4.74	4.80
Reuters Hldgs	6.69	6.55	6.61	6.55
Rexam	3.30	3.23	3.26	3.23
RMC Group	9.42	9.32	9.33	9.39
Rolls Royce	2.28	2.21	2.25	2.21
Royal Bk Scot	6.34	6.15	6.25	6.19
RTZ reg	9.16	9.07	9.11	9.15
Royal & Sun All	5.06	5.01	5.02	5.03
Safeway	3.66	3.59	3.62	3.68
Sainsbury	3.18	3.15	3.16	3.16
Schroders	17.55	17.40	17.40	17.40
Scot Newcastle	6.80	6.65	6.72	6.77
Scot Power	3.54	3.43	3.51	3.52
Securicor	3.19	3.13	3.18	3.13
Severn Trent	7.05	6.97	7	6.95
Shell Transp R	10.98	10.75	10.81	10.96
Siebe	9.72	9.43	9.68	9.65
Smith Nephew	1.93	1.90	1.92	1.93
SmithKline	9.47	8.95	9.41	8.82
Smiths Ind	7.83	7.78	7.81	7.77
Sthrn Elec	7.52	7.43	7.48	7.45
Stagecoach	7	6.95	6.96	6.90
Stand Charter	8.14	8.01	8.05	8.04
Tate & Lyle	4.51	4.43	4.50	4.43
Tesco	3.48	3.42	3.44	3.43
Thames Water	6.75	6.65	6.70	6.68
3i Group	5.30	5.25	5.26	5.25
TI Group	5.28	5.20	5.23	5.27
Tomkins	2.88	2.85	2.86	2.86
Unilever	16.20	15.78	15.86	16.02
Utd Assurance	5.47	5.40	5.44	5.40
Utd News	6.86	6.64	6.73	6.67
Utd Utilities	6.82	6.74	6.78	6.80
Vendome Lx uts	4.95	4.80	4.83	4.85
Vodafone	3	2.93	2.96	2.87
Whitbread	7.97	7.88	7.89	7.94
Williams Hdgs	3.12	3.03	3.10	3.07
Wolseley	4.90	4.85	4.87	4.87
WPP Group	2.70	2.50	2.51	2.69
Zeneca	18.05	17.73	17.81	17.78

Madrid
Bolsa index: 481.20 — Previous: 481.29

	High	Low	Close	Prev.
Acerinox	20290	19750	19930	20190
ACESA	1745	1725	1730	1735
Aguas Barcelon	5780	5670	5720	5700
Argentaria	5810	5720	5770	5700
BBV	8900	8780	8800	8850
Banesto	1100	1085	1090	1085
Bankinter	20800	20120	20320	20630
Bco Centro Hisp	3895	3775	3795	3865
Bco Exterior	2840	2835	2835	2840
Bco Popular	26880	26210	26800	26960
Bco Santander	9970	9760	9880	9760
CEPSA	4300	4200	4260	4275
Continente	2585	2540	2555	2595
Corp Mapfre	8090	7960	8000	8060
Endesa	9150	8980	9000	9140
FECSA	1240	1215	1230	1215
Gas Natural	34680	33220	33360	34030
Iberdrola	1690	1660	1665	1670
Pryca	2765	2700	2700	2755
Repsol	5700	5520	5620	5640
Sevillana Elec	1395	1360	1375	1380
Tabacalera	6700	6580	6650	6660
Telefonica	3365	3360	3365	3365
Union Fenosa	1208	1175	1180	1185
Valenc Cement	1500	1490	1495	1500

Manila
PSE index: 3315.52 — Previous: 3306.43

	High	Low	Close	Prev.
Ayala B	30	29.50	30	30
Ayala Land	30.50	30	30.50	30
Bk Philip Isl	191	189	189	190
C&P Homes	12.75	12.50	12.50	12.25
Manila Elec A	124	122	123	123
Metro Bank	740	730	740	740
Petron	10.50	10	10.25	10.25
PCIBank	397.50	380	395	395
Phil Long Dist	1565	1555	1560	1550
San Miguel B	99	96	96.50	99
SM Prime Hdg	7.60	7.40	7.50	7.60

Mexico
Bolsa index: 3882.39 — Previous: 3842.70

	High	Low	Close	Prev.
Alfa A	46.30	44.85	45.00	44.85
Banacci B	19.04	18.94	18.98	19.00
Cemex CPO	31.70	31.20	31.35	31.15
Cifra C	12.30	12.80	12.16	11.74
Emp Modema	45.70	45.30	45.30	45.30
Gpo Carso A1	48.55	47.90	47.90	48.30
Gpo Fin Inbursa	28.50	28.00	28.50	27.85
Kimb Clark Mex	171.10	169.00	170.70	169.00
Televisa CPO	104.00	101.50	103.60	101.40
TelMex L	16.00	15.60	15.88	15.48

Milan
MIB Telematico: 12160.00 — Previous: 12238.00

	High	Low	Close	Prev.
Alleanza Assic	12895	12580	12740	12850
Bca Comm Ital	3620	3400	3620	3485
Bca Fideuram	4700	4560	4690	4600
Bca Roma	1330	1310	1316	1327
Benetton	19900	19550	19870	19650
Credito Italiano	2400	2339	2380	2350
Edison	9690	9400	9540	9420
ENI	9035	8885	8955	8930
Fiat	5130	5020	5120	5030
Generali Assic	31800	31400	31550	31700
IMI	15520	14840	14890	15335
INA	2300	2270	2285	2290
Italgas	6520	6305	6405	6435
Mediaset	7240	7110	7120	7225
Mediobanca	11380	11105	11275	11380
Montedison	1243	1226	1232	1227
Olivetti	652	630	631	634
Parmalat	2400	2315	2320	2385
Pirelli	3500	3390	3405	3520
RAS	15730	15510	15590	15785
Rolo Banca	17850	17500	17780	17795
S Paolo Torino	11160	10915	11000	11200
Stet	8060	7850	7865	8045
Telecom Italia	4500	4340	4345	4405
TIM	4625	4510	4600	4585

Montreal
Industrials index: 3066.81 — Previous: 3057.52

	High	Low	Close	Prev.
Bco Mob Com	43½	42.15	42¾	42.30
Cdn Tire A	26	25.80	26	25¾
Cdn Util A	32¾	32¼	32½	32.55
CT Finl Svc	31.80	31.20	31.20	31.30
Gaz Metro	16.60	16.35	16.60	16.45
Gt-West Lifeco	22.70	22.70	22.70	22.70
Imasco	38.05	37.55	38.05	37½
Investors Grp	27¾	27½	27½	28
Loblaw Cos	17.20	16.80	16.80	17.20
Natl Bk Canada	16.05	15.90	16	16
Power Corp	29⅛	28¾	28.80	29.15
Power Finl	27.10	26.80	27.10	26.80
Quebecor B	25½	25¼	25.45	25¼
Rogers Comm B	9.80	9.80	9.80	9.80
Royal Bk Cda	55¼	54.85	55.10	54.95

Oslo
OBX index: 628.75 — Previous: 611.00

	High	Low	Close	Prev.
Aker A	184	180	184	180.50
Bergesen Dy A	147.50	146.50	147	147
Christiania Bk	28.90	26.50	27.40	27.60
Den norske Bk	32.90	31.50	31.90	31.60
Elkem	111	108	109	108
Hafslund A	50	49	49	49
Kvaerner Asa	345	338	343	339
Norsk Hydro	373	364	373	363
Norske Skog A	210	208	210	208
Nycomed A	111	106	108	104
Orkla Asa A	575	565	575	563
Petm GeoSvc	310	300	309	293
Saga Petm A	127	124	125	123
Schibsted	136.50	133	135	138
Transocean Off	383	380	380	391
Storebrand Asa	42.20	41.50	42	42

Paris
CAC-40: 2594.76 — Previous: 2617.52

	High	Low	Close	Prev.
Accor	787	760	768	764
AGF	200	196	198	198.80
Air Liquide	902	878	890	904
Alcatel Alsth	589	578	585	589
Axa-UAP	372.40	368.20	369.50	370.50
Bancaire	694	672	676	690
BIC	925	913	920	926
BNP	244.90	237	238	240.90
Canal Plus	1145	1128	1135	1137
Carrefour	3570	3523	3530	3553
Casino	249.20	245	247.80	245.60
CCF	275	265.40	266.70	267.50
Cetelem	705	687	694	692
Christian Dior	882	871	875	875
CLF-Dexia Fran	520	508	512	521
Credit Agricole	1266	1266	1266	1266
Danone	868	847	849	864
Elf-Aquitaine	562	550	557	560
Eridania BS	930	895	905	924
Eurotunnel	7.10	7	7	7.05
Gen. Eaux	795	776	781	794
Havas	458.50	458.10	452.70	458.80
Imetal	830	820	823	824
Lafarge	361	351	352.40	352.30
Legrand	947	916	916	942
L'Oreal	2070	2005	2026	2067
LVMH	1430	1396	1397	1415
Lyon. Eaux	571	560	561	568
Michelin B	357.90	348.50	350.80	351.30
Paribas A	399.90	394.30	395.90	399.90
Pernod Ricard	312.50	303.50	304	310
Peugeot Cit	580	562	562	573
Pinault-Print	2458	2383	2409	2418
Promodes	1685	1655	1657	1668
Renault	122	119.60	121.20	119.50
Rexel	1705	1690	1700	1700
Rh-Poulenc A	202	196.10	199.50	199
Sanofi	564	543	548	560
Schneider	301	290.50	293.80	299.70
SEB	1108	1090	1090	1104
SGS Thomson	401.90	396.20	399.50	399
Ste Generale	703	683	685	685
Sodexho	2840	2765	2795	2840
St Gobain	832	813	822	824
Suez	278.90	265.10	270.80	270
Synthelabo	586	565	572	587
Thomson CSF	183.90	178.30	182	175.50
Total B	464.90	457.10	458.10	462
Usinor	89.70	86.20	88.30	87.20
Valeo	384.80	373.20	377	376.70

São Paulo
Bovespa index: 88927.40 — Previous: 89582.50

	High	Low	Close	Prev.
Bradesco Pfd	9.40	9.15	9.340	9.35
Brahma Pfd	755.00	735.00	739.00	754.00
Cemig Pfd	48.30	47.00	47.00	47.49
CESP Pfd	63.00	60.490	60.50	61.38
Copel	15.80	15.60	15.70	15.70
Eletrobras	478.00	467.00	467.00	468.00
Itaubanco Pfd	585.00	571.00	577.00	582.00
Light Servicos	427.00	420.00	420.00	415.00
Lightpar	325.35	319.00	325.10	318.00
Petrobras Pfd	230.00	222.50	222.50	226.00
Telebras Pfd	104.35	101.50	102.150	102.30
Telemig	161.80	157.00	158.00	156.99
Telerj	167.00	164.00	165.00	164.00
Telesp Pfd	300.00	291.00	292.00	292.00
Unibanco	41.05	40.30	41.01	40.30
CVRD Pfd	27.60	27.00	27.80	27.30

Seoul
Composite index: 713.67 — Previous: 705.94

	High	Low	Close	Prev.
Dacom	116000	113000	115000	114000
Daewoo Heavy	5100	5000	5010	5050
Kia Motors	15900	14500	15800	15700
Korea El Pwr	28100	27600	28000	27800
Korea Exch Bk	7040	6800	7000	6960
Korea Mob Tel	544000	535000	538000	541000
LG Semicon	24800	22800	24800	23000
Pohang Iron St	43000	42200	42700	43000
Samsung Elec	57600	56500	57500	56900
Shinhan Bank	10900	10600	10600	10600

Singapore
Straits Times: 2246.99 — Previous: 2225.79

	High	Low	Close	Prev.
Asia Pac Brew	8.40	8.35	8.40	8.40
Cerebos Pac	10.20	10.10	10.20	10.20
City Dev	14.60	14.20	14.30	14.60
Cycle Carriage	16.10	15.20	16	15.50
Dairy Farm Int*	0.80	0.74	0.80	0.76
DBS foreign	20.60	20.20	20.60	20.30
DBS Land	6	5.85	5.95	6.05
Far East Leving	6.15	6.05	6.10	6.10
Fraser & Neave	13.30	13.10	13.10	13.20
HK Land*	2.85	2.82	2.84	2.83
Jard Matheson*	6.10	5.95	5.95	6.05
Jard Strategic*	3.32	3.30	3.32	3.32
Keppel	10.70	10.40	10.60	10.60
Keppel Bank	4.32	4.28	4.28	4.28
OCBC foreign	20.10	19.60	20	19.80
OS Union Bk F	11.70	11.60	11.60	11.70
Parkway Hdgs	6	5.80	5.80	6
Sembawang	8.15	8.05	8.15	8
Sing Air foreign	13.20	13	13	13.20
Sing Land	9.05	8.95	9	9.05
Sing Press F	29.60	29.40	29.50	29.30
Sing Tech Ind	3.92	3.78	3.90	3.88
Sing Telecomm	3.38	3.32	3.36	3.34
Straits Steam	5.10	5.05	5.10	5.05
Tat Lee Bank	3.72	3.68	3.68	3.70
Utd Industrial	1.30	1.28	1.29	1.30
Utd OSea Bk F	17.30	17.20	17.30	17.30
Wing Tai Hdgs	4.60	4.54	4.64	4.56

*: in U.S. dollars.

Stockholm
SX 16 index: 2819.14 — Previous: 2816.49

	High	Low	Close	Prev.
AGA B	106.50	103	103	106
ABB A	922	906	922	910
AssiDoman	190.50	186	187	189
Astra A	366	358	358.50	368
Atlas Copco A	175	173.50	175	173.50
Autoliv	333	328	332	328
Electrolux B	450	447	449	450
Ericsson B	248	243	243	246
Hennes B	1045	1014	1016	1030
Incentive A	531	525	528	529
Investor B	347	342	345.50	345
MoDo B	231	222	228	228
Nordbanken	280	258	280	255
Pharm/Upjohn	284	278.50	279	281
Sandvik B	195.50	193.50	194	193.50
Scania B	188	179	183	191
SCA B	166	163.50	164.50	164.50
S-E Banken A	80.50	75.50	80	75.50
Skandia Fors	205.50	200	203	202
Skanska B	331	323	328	320
SKF B	188	183.50	184	187
Sparbanken A	157	140	154	139.50
Stadshypotek A	190	189.50	190	189.50
Stora A	103.50	99	101.50	101.50
Sv Handles A	220	207	216.50	207.50
Volvo B	185.50	179	179	180

Sydney
All Ordinaries: 2491.00 — Previous: 2501.70

	High	Low	Close	Prev.
Amcor	8.44	8.35	8.44	8.42
ANZ Bkng	8.64	8.54	8.56	8.52
BHP	18.05	17.68	17.68	17.95
Boral	3.70	3.42	3.44	3.63
Brambles Ind.	22.55	22.15	22.22	22.59
CBA	13.73	13.53	13.55	13.62
CC Amatil	12.30	11.15	11.48	12.19
Coles Myer	5.50	5.33	5.46	5.30
Comalco	6.85	6.73	6.80	6.70
CRA	19.08	18.75	18.75	18.99
CSR	4.69	4.63	4.67	4.66
Fosters Brew	2.69	2.62	2.63	2.69
Gen Prop Trust	2.50	2.47	2.49	2.47
GIO Australia	3.75	3.65	3.70	3.63
Goodman Fld	1.53	1.50	1.58	1.52
ICI Australia	12.66	12.60	12.66	12.80
John Fairfax	3.12	3.09	3.09	3.11
Lend Lease	23.60	23.40	23.48	23.39
Mayne Nickless	7.64	7.50	7.52	7.62
MIM Hdgs	1.84	1.81	1.81	1.83
Nat Aust Bank	17.22	16.94	16.95	17.15
Nat Mutual Hdg	1.94	1.90	1.92	1.93
News Corp	6.79	6.70	6.78	6.68
Normandy Min	1.78	1.73	1.74	1.76
North Ltd	4.35	4.22	4.23	4.27
Pacific Dunlop	3.18	3.14	3.15	3.16
Pioneer Intl	4.09	4.01	4.02	4.06
Pub Broadcast	6.82	6.78	6.78	6.80
Qantas Airways	2.42	2.36	2.42	2.38
St George Bank	8.15	8.06	8.12	8.05
Santos	4.85	4.77	4.78	4.80
Southcorp	4.55	4.46	4.51	4.52
Westfarmers	10.45	10.10	10.45	10.10
WMC	8.34	8.24	8.25	8.32
Westfield Trust	2.50	2.47	2.48	2.46
Westpac Bking	7.85	7.73	7.74	7.84
Woodside Pet	9.50	9.18	9.24	9.48
Woolworths	3.64	3.50	3.55	3.59

Taipei
Stock Market index: 7656.85 — Previous: 7642.83

	High	Low	Close	Prev.
Cathay Life Ins	181	176	176	176
Chang Hwa Bk	175	169	169	168
Chiao Tung Bk	90	87	87.50	88.50
China Develpmt	106.50	103	103	104
China Steel	25.70	25.30	25.40	25.40
First Bank	180	177	178	177
Formosa Plastic	74	71.50	71.50	74
Hua Nan Bk	148.50	142	142.50	141.50
Intl Comm Bk	84.50	82.50	82.50	82
Nan Ya Plastics	68.50	66.50	66.50	68.50
Shin Kong Life	116	112	112	113
Taiwan Semi	61.50	60.50	60.50	60.50
Tatung	55	53.50	53.50	53.50
Utd Micro Elec	41.20	40.20	40.20	39.80
Utd World Chin	71	70	70	70.50

Tokyo
Nikkei 225: 18592.12 — Previous: 18470.75

	High	Low	Close	Prev.
Ajinomoto	1060	1040	1060	1050
All Nippon Air	846	820	840	830
Asahi Bank	809	800	804	807
Asahi Chem	632	626	632	628
Asahi Glass	1090	1070	1090	1090
Bk Tokyo Mitsu	1890	1850	1860	1880
Bk Yokohama	599	593	599	594
Bridgestone	2210	2180	2200	2220
Canon	2690	2570	2650	2710
Chubu Elec	2060	2030	2040	2050
Chugoku Elec	2020	2010	2020	2010
Dai Nipp Print	2000	1980	1990	2000
Dai-Ichi Kang	1280	1240	1250	1280
Daiwa Bank	510	496	496	505
Daiwa House	1310	1290	1310	1310
Daiwa Sec	967	950	967	951
DDI	7390a	7280a	7390a	7320a
Denso	2570	2480	2560	2530
East Japan Ry	4990a	4910a	4980a	4940a
Eisai	2350	2310	2340	2330
Fanuc	3800	3700	3800	3710
Fuji Bank	1290	1250	1280	1270
Fuji Photo	3980	3870	3900	3980
Fujitsu	1220	1190	1210	1220
Hachijuni Bk	1050	1020	1030	1030
Hitachi	1140	1110	1130	1150
Honda Motor	3710	3590	3650	3710
IBJ	1410	1350	1370	1420
Itochu	578	568	570	571
Ito-Yokado	5600	5430	5600	5390
JAL	506	501	502	503
Japan Tobacco	7910a	7850a	7870a	7890a
Jusco	3450	3390	3450	3470
Kajima	677	645	656	677
Kansai Elec	2120	2070	2110	2100
Kao	1330	1310	1330	1310
Kawasaki Hvy	523	505	523	506
Kawa Steel	321	311	318	326
Kinki Nipp Ry	728	723	727	723
Kirin Brewery	1040	1030	1030	1010
Kobe Steel	220	217	217	217
Komatsu	873	857	873	847
Kubota	535	528	534	532
Kyocera	7220	7180	7220	7210
Kyushu Elec	2050	2030	2050	2030
LTCB	388	373	387	388
Marubeni	480	467	470	471
Marui	1870	1790	1820	1780
Matsu Elec Ind	1990	1940	1960	1980
Matsu Elec Wk	1030	1000	1020	1010
Mitsubishi	1120	1100	1100	1120
Mitsubishi Ch	346	333	346	340
Mitsubishi El	721	710	717	711
Mitsubishi Est	1320	1290	1310	1340
Mitsubishi Hvy	901	891	901	895
Mitsubishi Mat	918	905	907	915
Mitsubishi Tr	1290	1260	1270	1280
Mitsui	901	892	896	896
Mitsui Fudosn	1240	1190	1240	1240
Mitsui Trust	710	704	704	706
Murata Mfg	4280	4250	4250	4280
NEC	1440	1410	1440	1440
Nikon	1820	1740	1800	1790
Nikko Sec	710	694	707	703
Nintendo	8230	8200	8210	8140
Nipp Express	719	710	717	709
Nippon Oil	496	485	495	487
Nippon Steel	330	324	330	325
Nissan Motor	764	750	764	760
NKK	261	256	258	261
Nomura Sec	1610	1590	1600	1600
NTT	8770a	8640a	8700a	8800a
NTT Data	3200b	3170b	3200b	3170b
Oji Paper	674	661	674	665
Osaka Gas	293	290	291	294
Ricoh	1440	1400	1440	1450
Rohm	8420	8400	8420	8480
Sakura Bk	700	691	696	699
Sankyo	3520	3450	3510	3490
Sanwa Bank	1310	1290	1300	1300
Sanyo Elec	515	505	508	511
Secom	6690	6600	6690	6570
Seibu Rwy	4690	4670	4680	4680
Sekisui House	1060	1040	1060	1070
Seven-Eleven	7490	7350	7470	7440
Sharp	1600	1560	1580	1570
Shikoku El Pwr	1990	1970	1980	1980
Shin-etsu Ch	2440	2400	2440	2420
Shizuoka Bk	1010	1000	1000	1010
Softbank	11200	10800	11100	11000
Sony	8830	8650	8830	8800
Sumitomo	895	882	895	882
Sumitomo Bk	1400	1360	1390	1360
Sumit Chem	460	450	460	457
Sumitomo Elec	1710	1690	1700	1710
Sumit Metal	289	280	283	283
Sumit Trust	1000	985	1000	988
Taisho Pharm	2860	2800	2840	2810
Takeda Chem	2590	2520	2570	2590
TDK	8170	8000	8170	8110
Tohoku El Pwr	2030	1990	2000	2020
Tokai Bank	929	922	922	929
Tokio Marine	1140	1090	1130	1090
Tokyo El Pwr	2170	2130	2150	2140
Tokyo Electron	4280	4170	4280	4250
Tokyo Gas	308	300	308	304
Tokyu Corp.	548	537	544	538
Tonen	1220	1170	1220	1170
Toppan Print	1420	1390	1410	1410
Toray Ind	723	710	718	719
Toshiba	740	726	738	727
Tostem	2670	2630	2670	2660
Toyo Trust	775	745	768	755
Toyota Motor	3350	3280	3290	3390
Yamanouchi	2570	2530	2530	2550

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6255.47 — Previous: 6238.22

	High	Low	Close	Prev.
Abitibi Price	23.60	23.35	23½	23.55
Alberta Energy	31	30.20	30¼	31
Alcan Alum	48.80	47¼	48.70	47.40
Anderson Expl	16.40	15.80	15.85	16.45
Bk Montreal	50.05	49¼	49.95	50.10
Bk Nova Scotia	52.85	52½	52.70	52.60
Barrick Gold	36.30	35.55	35.70	35½
BCE	71¼	70.65	71.10	71.20
BC Telecomm	31.45	31	31.15	31
Biochem Pharm	82	79.75	81.25	80.90
Bombardier B	26.20	25.90	26.15	25¾
Brascan A	31.80	31.65	31.80	31.35
Bre-X Minerals	22	20½	21.90	21
Cameco	51.90	51¼	51¼	51.90
CIBC	65.65	65.30	65½	65.65
Cdn Natl Rail	52.65	52.30	52½	52.55
Cdn Nat Res	32.95	32.80	32.90	33.80
Cdn Occid Pet	24.55	24	24	24.40
Cdn Pacific	35½	35.10	35.40	35½
Cominco	38.90	38	38.90	38
Dofasco	24.40	24.20	24.30	24.40
Domtar	12.05	11.90	12.05	11.90
Donohue A	26½	26.20	26.20	26.15
Du Pont Cda A	32.40	32¼	32.40	32¼
Edper Group	23.20	23	23.20	23
EuroNev Mng	39¾	39	39.35	39.40
Fairfax Finl	299	298	297	299
Falconbridge	31.35	30.90	31.35	30.40
Fletcher Chall A	22.40	22.15	22.40	22.40
Franco Nevada	60¾	59	59.95	59.10
Gulf Cda Res	11	10.55	10.85	10.90
Imperial Oil	64.10	63.40	63¼	64.10
Inco	48.90	47.20	48.65	47.35
IPL Energy	40.85	40¼	40.80	40¼
Laidlaw B	18.35	18.10	18.35	18.20
Loewen Group	49.90	49¼	49¼	49.95
Macmill Bldl	18½	18.05	18.35	18.20
Magna Intl A	72¼	71½	72	72
Methanex	14	13.90	13.95	14
Moore	30.90	30¼	30.45	30.40
Newbridge Net	46.55	44.55	45.95	45½
Noranda Inc	33.30	32¾	33.20	32.70
Norcen Energy	30.40	30¼	30.35	30½
Nthern Telecom	103.95	102½	103.45	102¼
Nova	13	12.90	12.95	13
Onex	25.10	24½	25	24.70
Pancdn Petm	57	56.80	56.80	57.30
Petro Cda	20.70	20.45	20.45	20.65
Placer Dome	29.55	29.05	29.10	29.85
Poco Petm	14	13.70	13.70	14.10
Potash Sask	109.40	108.45	109¼	109.40
Renaissance	43.85	42.65	43	43.65
Rio Algom	33¼	32½	33.20	32.60
Rogers Cantel B	26.30	25¾	25¾	26
Seagram Co	55.80	55.35	55.70	55.65
Shell Cda A	58	57.40	58	57½
Stone Consold	23¾	23.35	23.45	23.60
Suncor	59.90	59.20	59.80	59.05
Talisman Eny	46.45	45.60	45¼	46.45
Teck B	32.05	30.85	32.05	30.90
Teleglobe	41¼	40¾	40¾	41
Telus	21.35	21.15	21.30	21.15
Thomson	28.30	28.15	28¼	28¼
TorDom Bank	39.85	39.65	39¾	39.80
Transalta	17¼	17	17	17.10
TransCda Pipe	25¾	25.45	25.60	25½
Trimark Finl	45	44	44¼	44.85
Trizec Hahn	31.45	31.20	31¼	31¼
TVX Gold	11.60	11.05	11¼	11.05
Westcoast Eny	25	24.85	24.90	24.95
Weston	74.85	74	74.70	74.90

Vienna
ATX index: 1212.75 — Previous: 1210.90

	High	Low	Close	Prev.
BBAG	730.10	690	705	733
Boehler-Uddeh	848.85	841	846	846.30
Brau-Un Goess	674	660	669	665
Creditanst Pfd	423	417.30	417.30	426.60
EA-Generali	3440	3400	3420	3440
EVN	1758	1736	1746	1743
Flughafen Wien	569.95	564.50	569	567
Mayr-Melnhof	610	602	603	611
OMV	1401	1370	1400	1374.50
Oest Elektriz	865	856.10	861.20	861
Radex-Hera	414	410	412.50	412.50
VA Stahl	466	456.50	465	457
VA Tech	1790	1766	1771	1789.90
Wienerberg Bau	2170	2145	2155	2154
Wolford	1440	1411.50	1430	1420.10

Wellington
NZSE-40 index: 2329.35 — Previous: 2321.32

	High	Low	Close	Prev.
Air N Zeald B	3.93	3.84	3.93	3.87
Brierly Invt	1.37	1.36	1.37	1.35
Carter Holt ord	3.30	3.29	3.29	3.30
Fletch Ch Bldg	4.53	4.48	4.49	4.49
Fletch Ch Eny	4.00	3.95	3.99	3.99
Fletch Ch Forst	2.20	2.17	2.19	2.19
Fletch Ch Paper	2.89	2.87	2.89	2.86
Lion Nathan	3.65	3.63	3.63	3.65
Telecom NZ	7.00	6.86	6.87	6.95
Wilson Horton	11.30	11.25	11.25	11.30

Zurich
SPI index: 2870.95 — Previous: 2853.98

	High	Low	Close	Prev.
ABB B	1845	1822	1822	1829
Adecco B	427	416	425	426
Alusuisse R	1215	1195	1195	1205
Ares-Serono B	1570	1490	1495	1500
Alel R	860	860	860	845
Baloise Hdg R	2905	2885	2900	2895
BK Vision	846	840	844	838
Clariant R	735	714	716	694
Crd Suisse Gp R	154	152.50	152.75	152.25
Elektrowatt B	541	538	541	540
Ems-Chemie	5795	5655	5770	5650
ESEC Hdg	4750	4600	4750	4610
Holderbank B	1115	1098	1103	1093
Nestle R	1659	1623	1640	1641
Novartis R	1792	1763	1777	1757
Pargesa Hld B	1510	1495	1503	1500
PharmVisn B	755	737	755	748
Richemont A	2135	2100	2135	2100
Roche Hdg PC	12825	12650	12785	12570
SBC R	280.50	277	278.50	278.50
SGS B	3350	3245	3260	3245
SMH B	967	955	960	951
Sulzer R	984	968	975	980
Swiss Reins R	1514	1492	1504	1492
Swissair R	1328	1302	1309	1309
UBS B	1311	1291	1297	1295
Winterthur R	900	887	899	882
Zurich Assur R	435	430	432	430

NYSE

Wednesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

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THE WORLD'S DAILY NEWSPAPER

Continued on Page 16

Broadcaster Urges A Single Cable for Australian Pay TV

Bloomberg News

SYDNEY — Kerry Stokes, the chairman of Seven Network Ltd., proposed Wednesday that Australia's billion-dollar cable networks merge to stem the massive losses that are occurring in the fledgling pay-television industry.

"At the end of the day, we should have one national infrastructure in cable," Mr. Stokes said. "I'm suggesting there be one cable — it could be jointly owned, couldn't it?"

Telstra Corp., the state-owned telecommunications company, and Rupert Murdoch's News Corp. jointly operate the Foxtel pay-television service. Optus Communications, Australia's privately owned telecommunications company, owns 46.5 percent of the Optus Vision pay-television company, with U.S. West Media Group Inc.'s Continental Cablevision Inc. also owning 46.5 percent. Kerry Packer's Publishing & Broadcasting Ltd. owns 5 percent of Optus Vision.

Seven, Australia's second-ranked broadcast network, has a 2 percent stake in Optus Vision.

"Every month that goes past, as long as they continue to duplicate, it's going to cost this country 100 million dollars a month," Mr. Stokes said.

"One thing we don't want to achieve is having monopolies in various areas, so there's got to be coming together of the ownership of a cable system."

Mr. Stokes also criticized the Australian government for "fractured policy" decisions and lack of leadership in developing the Australian pay-television industry.

Optus Vision, according to The Sydney Morning Herald newspaper, is said to have strung its aerial cable past nearly 2 million homes, with estimated subscribers of 180,000. Telstra is said to have cabled about 1.1 million homes, with 140,000 subscribers.

Seven currently is involved in legal action against other Optus Vision shareholders, contending that it has a right to buy their stakes because they breached a shareholders' agreement by giving Publishing & Broadcasting enhanced equity rights in Optus Vision.

The dispute will be heard in the New South Wales state Supreme Court on Monday.

■ A National Network Sale?

The Australian finance minister, John Fahey, said the government had hired business and legal advisers to study the possible sale of the national transmission network, which carries television and radio signals, Bloomberg News reported from Canberra.

The network is used to broadcast the government-owned Australian Broadcasting Corp. and the Special Broadcasting Service. It is run by the National Transmission Agency.

The Office of Asset Sales, which would handle a sale, hopes to have the study completed by March.

A New Crack in Hong Kong?

Tung May Supervise Its Central Bank Directly

Bloomberg News

HONG KONG — The Hong Kong Monetary Authority and its $64 billion in reserves may soon answer to China's man.

Tung Chee-hwa, who will be chief executive when Hong Kong reverts to Chinese rule, may consider making the head of the territory's central bank report directly to him, a spokesman for Mr. Tung's office said Wednesday.

Right now, the authority — which safeguards the Hong Kong dollar and vows to remain independent — reports to the finance secretary. That post is usually filled from the ranks of Hong Kong's highly regarded, and politically neutral, civil service.

For China, "independence of state bodies with piles of cash, such as the HKMA, is hardly to be expected," said Daniel Hemmant of Guinness Flight Asset Management Ltd.

Such a move effectively would demote Finance Secretary Donald Tsang, who drew fire from Beijing last month after he criticized its plans to roll back some civil liberties laws once the British colony returns to China on July 1.

It also would strengthen Mr. Tung's control over the world's third-largest store of foreign reserves and call into question his commitment to ensuring that Hong Kong keeps "a high degree of autonomy," as Beijing has promised. Some fund managers and bankers said the authority's freedom to set monetary policy free of political concerns might be eroded.

Because a currency depends in large part on the value of foreign reserves, politicians rarely use them for expenditures. Mr. Tung is widely seen as a savvy business leader unlikely to put the Hong Kong dollar at risk.

A spokeswoman for Mr. Tung's office declined to say whether such a change in supervision of the authority was imminent, saying only that it was one of a number of possibilities that might be studied. Mr. Tung met Wednesday with officials in Beijing and is expected to release a first list of his top officials upon his return Thursday. The position of chief executive of the monetary authority will not be on that list, the official said.

The Finance Secretary's office said Mr. Tung had not discussed the matter with it.

Officials at the authority and the People's Bank of China maintain that the authority will remain independent. In a series of conferences in New York and Tokyo this month, Joseph Yam, the authority's chief executive, pledged with officers of the Chinese central bank to keep the Hong Kong dollar pegged to its U.S. counterpart.

Still, few say that bringing the authority under Mr. Tung's direct supervision would help it remain independent.

Mr. Tung, a shipping magnate who was picked by a Beijing-selected body, has supported China's plans to roll back the local bill of rights and asked local journalists to write "patriotic" stories about Hong Kong's return to China.

If politics sway the monetary authority, it may no longer stand with the Federal Reserve System, the Bundesbank and other central banks that usually operate outside the political sphere to preserve the value of their currencies and help steer their economies.

Any change in control over the monetary authority could muddy the waters by weakening the separation of money and politics in Hong Kong.

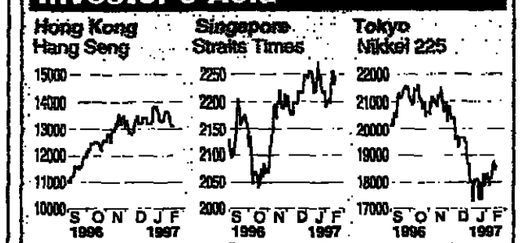
The suggestion that Mr. Tung might assert his power over the authority suggests Beijing "cares more about money than ideology," said Emily Lau, a legislator of the United Democrats of Hong Kong.

"They want someone they can trust very much," she added, "rather than someone picked by Chris Patten." Both Mr. Tsang and Mr. Yam were selected by Chris Patten, the last British governor.

But since Mr. Tung's duties as chief executive will be much greater and broader than Mr. Patten's, said Ian Perkin, chief economist at the Hong Kong Chamber of Commerce, his taking direct control of the monetary authority might be logical.

Mr. Yam has said that the authority's freedom to set monetary policy will actually expand under the Basic Law that is to govern Hong Kong after June 30. Beijing has guaranteed in the quasi-constitution that it will maintain the separation between Hong Kong's and China's currencies, banking systems, stock markets and foreign-exchange reserves.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,106.32	13,102.94	+0.03
Singapore	Straits Times	2,286.99	2,229.76	+0.77
Sydney	All Ordinaries	2,491.00	2,501.70	-0.43
Tokyo	Nikkei 225	18,569.12	18,470.75	+0.69
Kuala Lumpur	Composite	1,258.64	1,247.90	+0.86
Bangkok	SET	731.74	700.15	+4.51
Seoul	Composite Index	713.67	706.94	+0.95
Taipei	Stock Market Index	7,686.85	7,642.03	+0.19
Manila	PSE	3,315.52	3,306.43	+0.27
Jakarta	Composite Index	694.86	695.22	-0.05
Wellington	NZSE-40	2,329.35	2,331.32	-0.08
Bombay	Sensitive Index	3,526.50	3,530.23	-0.28

Source: Telekurs International Herald Tribune

Very briefly:

• **India** will overshoot its deficit target of 5 percent of gross domestic product for the fiscal year ending March 31 and the government is searching for new sources of revenue to fill a shortfall in next year's budget, economists said.

• **Mosel Vitelic Inc.**, one of Taiwan's largest makers of computer-memory chips, plans to invest up to 100 billion Taiwan dollars ($3.63 billion) in semiconductor production facilities by 2003 to meet expected growth in world demand.

• **The U.S. Federal Maritime Commission** will announce that it will impose $100,000 docking fees on Japan's top three shipping companies — **Nippon Yusen KK, Kawasaki Kisen Kaisha Ltd.** and **Mitsui OSK Lines Ltd.** — after talks to increase access to Japanese ports broke down.

• **A Philippine court** dismissed a petition to prevent the privatization of Manila's waterworks, clearing the way for two consortia of British, French, U.S. and Filipino firms to take over the concession.

• **Malaysia** confirmed that it was considering joining a group that will take over the ailing Dutch jet maker **Fokker NV.**

• **Japan's Liberal Democratic Party** and its allies will try to reach an agreement this week on lifting a ban on holding companies, an party official said. *Reuters, Bloomberg, AFP*

Investors Punish Coca-Cola Amatil

Bloomberg News

SYDNEY — Shares in Coca-Cola Amatil Ltd. dropped 5.8 percent Wednesday, the third successive day of decline on concerns about its earnings outlook and the credibility of management following disappointing 1996 earnings figures.

"There is a big credibility issue in terms of management that they have to overcome," said Paul Xiradis, associate director at Barclays Global Managers.

Coca-Cola Amatil officials could not be reached for comment Wednesday.

The company's shares fell to 11.485 Australian dollars ($8.80), down 70.5 cents.

The shares have fallen 36.7 percent from their high of 18.15 dollars on Nov. 10, 1996.

In November, Coca-Cola Amatil, which is 36.1 percent owned by Coca-Cola Co., warned that its net profit in 1996 would be little changed from 1995, which at that time was as much as 20 percent below expectations.

In fact, net profit, announced Friday, was 2.5 percent higher than 1995 at 142.1 million dollars. But the profit was helped by a lower-than-expected tax rate and by income from a damages settlement with the brewer Lion Nathan Ltd.

"On an operating basis the earnings were actually lower than the previous year, Mr. Xiradis said.

The company had told analysts in October, during a visit to its East European operations, that it was on track to meet profit growth forecasts in the mid-teens.

Baht Rallies as Devaluation Fears Fade

Bloomberg News

SINGAPORE — The Thai baht rallied Wednesday after reaching a 10-year low on Friday, as concern about a possible devaluation ebbed, traders said.

The dollar fell to 25.985 baht, a fall of 0.8 percent from its high of 26.20 baht Friday. That was the biggest three-day gain for the baht since January 1995.

"People are selling dollars to buy back the baht," said Sutee Losoponkul, treasury manager at Nakornthon Bank in Bangkok. Investors understand that "the current-account deficit is shrinking" and that means "the baht is not overvalued," he said.

The Bank of Thailand said Tuesday it would not devalue the baht.

The baht's rally and declining interest rates helped the benchmark Thai stock index post its biggest gain in four and a half months.

The Stock Exchange of Thailand index rose 31.59 points, or 4.5 percent, to 731.74, its biggest one-day gain since Sept. 30 and its highest close in a week.

A contraction in the current-account deficit makes the baht more attractive because there is relatively less demand for dollars to pay for imports.

"The economy is on track and there is no need for devaluation actions," Mr. Sutee said. He expects the deficit to shrink 30 percent in 1997, from about 400 billion baht in 1996. Thailand's deficit is about 8 percent of the country's gross domestic product, among world's highest.

The government will release its 1996 trade figures on Feb. 27.

The economy expanded at a 6.7 percent rate last year and should do better this year, economists said. Standard Chartered Bank's chief economist for Southeast Asia, Wong Yit Fan, sees growth of up to 7 percent this year.

Investors betting that the government would devalue the baht to lift exports helped drive the currency to its weakest standing in a decade last week. Moody's Investors Service Inc. helped speed the decline when it said it might cut its rating on Thailand's sovereign debt.

Government officials and economists say a devaluation would do more harm than good because it would raise the cost of imports and make it more expensive to repay dollar-denominated debts.

The overnight rate at which banks lend money to each other dropped to 13.5 percent from 14 percent.

Air New Zealand Net Falls

Compiled by Our Staff From Dispatches

WELLINGTON — Air New Zealand said Wednesday that first-half earnings fell 43 percent, in line with analysts' expectations, reflecting the rising New Zealand dollar and higher fuel prices.

The carrier also warned that its full-year profit would also be down because of a cost-cutting project, which aims to trim expenses by more than 100 million New Zealand dollars ($69 million) a year.

Profit for the last half of 1996 fell to 76.7 million dollars from 135.1 million dollars a year earlier. Sales fell 1.9 percent, to 1.18 billion dollars.

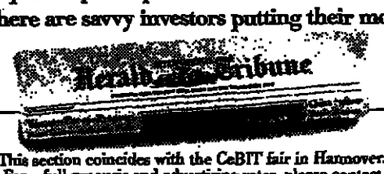
Competition from the now defunct airline Kiwi International Airlines and a "disappointing" performance by Ansett Australia, in which Air New Zealand holds a stake of 50 percent, also hurt profit, the airline said. *(Reuters, Bloomberg)*

On March 14, the International Herald Tribune will publish a Special Report on:

The Computer Industry

Among the topics to be covered are:

- Who will control the lines of communications? Telecoms or computer companies?
- The Internet – questions of free speech.
- "Information Stress Syndrome" in the computerized workplace.
- Do palmtop computers have a future?
- Where are savvy investors putting their money?



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Chairman
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The Group's consolidated sales were FF 85.818 billion, an increase of +1.2% on an historic basis and +3% on a comparable basis.

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Net income rose to FF 2.740 billion, an increase of +28.4%, essentially due to earnings growth in the pharmaceuticals and animal and plant health businesses, which represent 87% of the group's earnings from operating* activities.

Earnings per share were FF 8.44, an increase of 25.8%. Before amortization of goodwill, earnings per share amounted to FF 11.54, compared to FF 9.12 in 1995 (+ 26.5%).

A gross dividend (dividend plus tax credit) per ordinary share "A" of FF 5.25 (+16.7%) will be proposed by the Board of Directors to the General Meeting of Shareholders.

The net debt to equity ratio was 0.61 at the end of 1996, compared to 0.72 at the end of 1995, in line with the objective of returning to a net debt to equity ratio of less than 0.5 by the end of 1997.

* Operating income + equity in net earnings of affiliated companies in which Rhône-Poulenc owns an interest of between 20 and 50 percent, on a comparable basis.

1997 calendar:
General Meeting of Shareholders: April 23, 1997 (second convocation)
Quarterly results:
1st quarter: April 30
2nd quarter: July 25
3rd quarter: October 30

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NASDAQ

Wednesday's 4 P.M.

The 1,000 most-traded National Market securities
In terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Wednesday's 4 P.M. Close

(Continued)

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Herald International Tribune
SPORTS
PAGE 18 THURSDAY, FEBRUARY 20, 1997

WORLD ROUNDUP

Rios Limps On

TENNIS Marcelo Rios of Chile, the No. 2 seed, beat the Romanian Adrian Voinea, 6-1 6-4, Wednesday in the European Community championship. Rios fell behind, 2-0, in the second set but fought back to take the match in just over an hour.

Francisco Clavet of Spain upset the third seed Thomas Enqvist of Sweden, 4-6 7-6 (7-4) 6-3.

Rios, who withdrew from the final in Marseilles on Sunday because of a leg injury, became the top seed remaining in the tournament when Goran Ivanisevic pulled out Tuesday with tendinitis in his shoulder. Boris Becker also withdrew Tuesday because of an injury. *(Reuters)*

Norton Takes Gloves Off

BOXING USA Boxing vetoed an entry from Ken Norton Jr., a linebacker with the San Francisco 49ers, for a Golden Gloves tournament in Dallas. Federation rules say pros from any sport cannot fight in amateur contests. Norton, son of former world heavyweight champion Ken Norton, had never boxed.*(AP)*

Romania Bans Runner

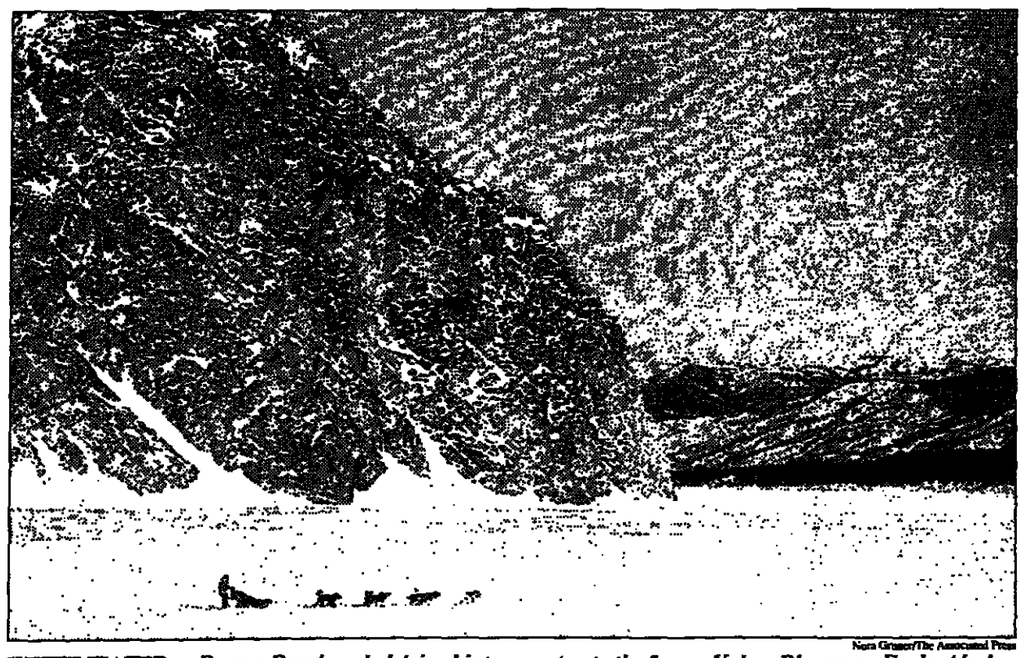
ATHLETICS Iulia Negura of Romania has been banned for two years and stripped of her 1996 European women's cross-country championship title for failing a dope test, the Romanian Athletic Federation said Wednesday. *(Reuters)*

World Cup for U.S.

SOCCER he United States will hold the 1999 women's World Cup. The event will be held across the U.S. the last 10 days in June and the first 10 days in July. *(Bloomberg)*

Sports in Brief

- Peter Forsberg, a center for the Colorado Avalanche of the NHL, signed a three-year contract worth up to $12.8 million. *(AP)*
- The Seattle Seahawks of the NFL traded quarterback Rick Mirer to Chicago for a first-round draft pick — the 11th overall. *(AP)*
- Newcastle, an English rugby union club, paid the rugby league club Wigan £500,000 ($808,000) for Va'aiga Tuigamala. The Western Samoan's five year contract makes the deal worth more than £1 million. *(Reuters)*



Nora Grazer/The Associated Press

WHITE WATER — Darren Rorabaugh driving his team out onto the frozen Yukon River near Eagle, Alaska, in the Yukon International Sled Dog Race from Whitehorse, Canada, to Fairbanks Alaska. Rorabaugh is 11th.

South African Rugby Plays a Losing Game

Sport Struggles With Its Image As Coach Quits Over Racist Slurs

By Ian Thomsen
International Herald Tribune

OFFICIALS in charge of South African rugby, the white man's favorite game, were trying to distance themselves Wednesday from racist comments that resulted in Andre Markgraaff's quitting as coach of the national team. At the same time, however, they vowed to boycott a government inquiry into the sport.

The mounting scandal will be investigated by Sports Minister Steve Tshwete, who openly wants rugby to succeed in the new South Africa. Tshwete used to satisfy his love for the game by organizing matches on Robben Island among his fellow political prisoners. His persistent calls for the integration of rugby have not been heeded by the Springboks, the national rugby team, despite a phalanx of public-relations promises that seemed transparent even as they were being made by the South African Rugby Football Union when it was host of the 1995 Rugby World Cup.

While announcing his resignation Tuesday, Markgraaff apologized publicly to Tshwete and President Nelson Mandela. Markgraaff tacitly admitted that his was the voice on a secretly recorded tape that referred to black members of the governing National Sports Council as "(expletive) kaffirs," a term of gross abuse in South Africa.

The statements were recorded illicitly by one of the Springbok players after Markgraaff's disputed decision to drop Francois Pienaar from the team in October. Pienaar had captained South Africa to its sensational World Cup victory two years ago. When he and Mandela appeared on the victory stand in identical No. 6 Springbok jerseys, it was the first authentic sign that the Springboks would merge with the majority of South Africans. However, Pienaar, who is white, was ousted 16 months later. Chester Williams remains the only nonwhite player in the squad.

The voice on the secret recording was heard blaming blacks on the National Sports Council for the groundswell of support for Pienaar after his axing.

"If I said it, I ask for forgiveness," Markgraaff said weakly at a news conference. "I wish to apologize to blacks in this country and also to the whites for embarrassing them."

"It is a serious blow to South African rugby," Pienaar said Wednesday while training in London with Saracens, the club he joined after leaving South Africa. "We spent a lot of time building up trust among the communities, and now this happens."

"I can't make any sense out of it," Pienaar added. "But people must remember it is the irresponsible views of one person and not the views of the whole country, or the views of the players. Even so, the feeling over here now is going to be, have there actually been so many changes in sport in South Africa? It's a serious blow."

The one indisputable change is the color and sensibility of the sport's judge. In the old days of South African rugby, which were not so long ago, the scandalized officials might have been confident of escaping with little trouble. This week, however, the secret recording was handed over to the respected Tshwete, along with evidence of alleged financial irregularities by the rugby union compiled by a former rugby official.

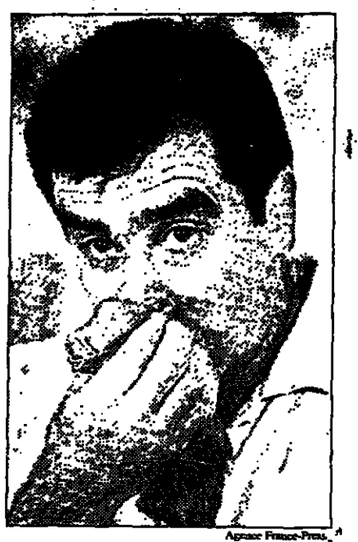
The rugby union is claiming that it is the victim of a personal vendetta. It has denied allegations that it had been trying to cover up the tape-recording since November, and it threatened to boycott a meeting Friday with Tshwete's commission of inquiry on the technical ground that the commission includes a member of the National Olympic Committee of South Africa. Rugby is not affiliated with the Olympics.

The ongoing trauma over the Springboks is symbolic of other more important issues of reconciliation and compromise in South Africa. Last year, Mandela and Tshwete approved the selection of the front-row forward Henry Tromp, who in February 1992 helped his father beat to death, with a fan belt, a 16-year farm worker who was suspected of stealing 75 rand (about $25 at the time). Both men had been sentenced to two years imprisonment for assault with intent to cause grievous bodily harm; they had appealed the sentences and had been released after four months.

There are signs that Tshwete might alter his forgiving approach. Last year, he accused rugby administrators of shirking their commitment to bring black players into the game. A stronger statement was made by Finance Minister Trevor Manuel when he openly cheered for New Zealand's All Blacks against the Springboks. In the apartheid era, South Africa's majority population of blacks — Mandela and Tshwete included — would openly root for the Springboks to lose, so strong was the link between rugby and the white power structure.

Mandela's governing African National Congress criticized the racist statements by Markgraaff as "unacceptable."

"This behavior consolidates the perception that conservative elements within SARFU are resisting transformation of the union into a nonracial entity," an ANC statement read.



Agence France-Presse

Andre Markgraaff at his emotionally charged press conference.

Stormy Weather or Not, It's a Bike Race

Vantage Point/SAMUEL ABT

International Herald Tribune

KOTA KINABULU, Malaysia — Warnings of winds up to 70 kilometers an hour were posted, the tide in the South China Sea was expected to rise a meter and a wild rainstorm drummed on the roof, but Gianni Bugno was undaunted.

"We have riders who love this kind of weather," the star Italian bicycle racer said. "We left them at home. Otherwise, there wouldn't have been any competition."

Presumably he referred to the Belgian contingent of his Mapei team, which brought Italian riders to Le Tour de Langkawi, Asia's richest bicycle race. And presumably Bugno was kidding — even Belgians would rate this as heavy weather.

The island of Borneo, whose northeast is occupied by the Malaysian state of Sabah, has the second-largest rain forest in the world, after Brazil's, and those trees grow a foot or two overnight. Not for nothing did ancient seafarers refer to Sabah as "The Land Below the Wind."

Bugno spoke Tuesday as the storm raged. On Wednesday, although the sky was low, the rain held off as 150 riders, in 25 teams of six men each, began the 12-day Tour de Langkawi. They sought honor, glory and, it goes without saying, a piece of the overall prize money of 1 million ringgit ($425,000).

Eric Wohlberg of the Canadian amateur team won the first stage, a 19-kilometer (12-mile) individual time trial in and around Kota Kinabalu, Sabah's capital. Second was Andrei Mizourov of the Kazakstan team, another amateur.

Riding on national teams, other amateurs come from such countries as Finland, China, the Philippines, Indonesia, Japan, South Korea, Ireland, South Africa and, of course, Malaysia.

Professional teams include Mapei and MG, two Italian powerhouses, Casino from France, Cedico from Belgium, Saturn from the United States and Giant from Australia. Damian McDonald of Giant won the race in its initial edition last year.

The first stage was run in muggy weather and headwinds off the ocean. If not demonstrative, spectators were respectful, lining the sidewalk near the finish as workers spilled out of such establishments as the Chin Chi Printing Works and an abnormal number of shops dedicated to re-covering cushions.

More passion was shown at the Restoran Jubilee, an open-air eatery where the specialty is fish-head curry and where diners rose from their tables to wave at riders. In the outskirts, a goodly number of children sat in front of the Proposed Wisma Perindustrian, a 17-story office building under construction, and cried "Fast, fast," in the English that most Malaysians speak.

Le Tour de Langkawi will cross both of Malaysia's states on Borneo and the 11 on the peninsula, and will have covered 1,608.5 kilometers when it ends March 2 on the island of Langkawi.

The overall course is mainly flat, and the major day to weed out the contenders should be Monday, stage six, which comprises three climbs into the Genting Highlands, including the finish up a grade that measures 16 percent in part. Another big test will be the 10th stage, Feb. 28, across Malaysia's main mountain range and including a 50-kilometer ascent.

Along the way, according to the race manual, will be such exotic locales as the start of the fifth daily stage at the Sultan Abdul Samad Building, the bonus sprint at the Shah Alam Mosque (also the fifth stage), the Maran Mosque (seventh stage) and the passage past the prime minister's birthplace (kilometer 134.5 on the 11th stage).

The prime minister, Mahathir bin Mohamad, is the highly active patron of the race, which is designed to give Malaysians experience in staging big international sports events before Kuala Lumpur is host to the Commonwealth Games in September 1998.

Stage two will be held Thursday in Sarawak, Malaysia's second state on Borneo. Since, as in Sabah, the rainy season is nearing its end there, dicey weather is likely. After that and a two-hour flight to the peninsula, where the rainy season was over months ago, the forecast is for heavy heat and clear skies. Farewell, pewter clouds. Adios, rain. Welcome, sunshine, welcome. Or, as they say in Malay, *selamat datang*.

Senators, Doormats No More, Stop Capitals, 6-1

The Associated Press

The Ottawa Senators aren't allowing themselves to be kicked around anymore.

"They have improved tremendously offensively," Washington defenseman Sylvain Cote said after the Senators beat the Capitals, 6-1, Tuesday night. "They're quick; they get on the loose puck and they're on a roll right now."

In their first four seasons, the Senators were the laughingstock of the NHL as they lost 224 of 298 games. The Senators never earned more than 41 points in a season. After Tuesday's road victory, they have 52 points and are in the running for a playoff berth.

Daniel Alfredsson and Randy Cunneyworth gave Ottawa control with goals 84 seconds apart in the second period. The victory gave the Senators a 3-0 record against the Capitals this season.

Penguins 4, Panthers 2 At Pittsburgh, Mario Lemieux scored his 40th goal of the season to break a third period tie as the Penguins beat Florida to end a four-game losing streak. Then Lemieux sealed the victory with an empty-net goal at 19:02.

Sabres 5, Flames 5 Ron Stern and Aaron Gavey scored 27 seconds apart late in the third period as to give Calgary a tie in Buffalo. The Sabres built a two-goal lead on goals by Michael Peca and Matthew Barnaby before Stern cut the margin to 5-4. Gavey scored moments later.

Coyotes 6, Kings 1 In Phoenix, Jim McKenzie scored the first hat trick of his career, and Nikolai Khabibulin stopped 27 shots and weathered four Los Angeles power plays.

Avalanche 3, Bruins 2 In Denver, Claude Lemieux scored on a power play goal with 3.8 seconds left in overtime as the Avalanche won their fourth straight.

Maple Leafs 6, Canucks 5 Doug Gilmour and Sergei Berezin scored two goals apiece to pace Toronto in Vancouver. Their goals built a 6-2 lead before the Canucks made it a game in the third period.

Martin Gelinas scored twice within a 2:06 span to make it 6-4 at 9:57, and Alexander Mogilny made it 6-5 on a power play at 16:02.

Sharks 3, Stars 1 At San Jose, Kelly Hrudey made 29 saves as the Sharks beat Dallas to snap a four-game losing streak.

NHL ROUNDUP

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SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	40	12	.769	—
New York	38	14	.731	2
Orlando	24	25	.490	14½
Washington	24	27	.471	15½
New Jersey	15	36	.294	24½
Philadelphia	12	39	.235	27½
Boston	11	40	.216	28½

CENTRAL DIVISION

Chicago	46	6	.885	—
Detroit	37	13	.740	8
Atlanta	33	17	.660	12
Charlotte	31	21	.596	15
Cleveland	28	22	.560	17
Indiana	24	26	.480	21
Milwaukee	24	27	.471	21½
Toronto	17	34	.333	28½

WESTERN CONFERENCE

MIDWEST DIVISION

	W.	L.	Pct	GB
Utah	37	14	.725	—
Houston	34	18	.654	3½
Minnesota	25	27	.481	12½
Dallas	17	32	.347	19
Denver	17	36	.321	21
San Antonio	12	38	.240	24½
Vancouver	11	44	.200	28

PACIFIC DIVISION

L.A. Lakers	37	14	.725	—
Seattle	36	15	.706	1
Portland	28	24	.538	9½
Sacramento	24	25	.453	14
L.A. Clippers	21	27	.438	14½
Golden State	19	30	.388	17
Phoenix	19	34	.358	19

MONDAY'S RESULTS

Phoenix	36	27	15	22—94
New York	23	25	25	23—95

P: Person 8-13 0-0 22, Ceballos 7-22 3-4 19; N.Y.: Ewing 13-17 5-7 31, Starks 6-11 0-0 15. Rebounds—Phoenix 44 (J.Williams 6), New York 51 (Ouakley 15). Assists—Phoenix 26 (Kidd 13), New York 21 (Childs 7).

Miami	29	24	26	33—111
Philadelphia	25	21	21	16—83

M: Hardaway 11-21 3-4 29, Mashburn 6-10 2-2 15; P: Stackhouse 5-15 7-11 18, MacLean 6-14 5-6 17. Rebounds—Miami 55 (Mourning 10), Philadelphia 62 (Williams 10). Assists—Miami 20 (Hardaway 4); Philadelphia 11 (Iverson 4).

San Antonio	26	22	28	31—105
Utah	29	35	23	26—113

S.A.: Wilkins 10-18 12-13 33, Del Negro 10-13 5-5 28; U: Malone 12-17 13-17 37, Stockton 6-11 7-7 19. Rebounds—San Antonio 45 (Wilkins 12), Utah 57 (Ostertag 10). Assists—San Antonio 18 (Del Negro 7), Utah 33 (Stockton 10).

Denver	27	27	25	44—123
Chicago	26	36	35	32—134

D: D.Ellis 9-11 5-5 27, McDyess 9-14 7-9 25; C: Pippen 19-27 7-7 47, Jordan 10-18 3-4 24. Rebounds—Denver 41 (McDyess 7), Chicago 47 (Rodman 13). Assists—Denver 28 (Jackson 10), Chicago 42 (Jordan 12).

Dallas	19	13	23	14—69
L.A. Clippers	23	18	21	25—87

D: Finley 7-15 3-4 18, Harper 7-12 3-4 17; L.A.: Seely 9-13 4-5 23, Rogers 5-11 1-2 11. Rebounds—Dallas 46 (Green 11), Los Angeles 49 (Vaught 9). Assists—Dallas 16 (Harper 5), Los Angeles 18 (Martin 5).

Milwaukee	23	16	22	23—84
Sacramento	29	30	15	21—95

M: Guglliotta 11-22 6-6 28, Marbury 9-21 2-2 21; S: Richmond 8-24 2-4 20, Polynice 7-20 3-4 17, Owens 7-13 3-3 17. Rebounds—Milwaukee 53 (Guglliotta 18), Sacramento 67 (Polynice 21). Assists—Milwaukee 15 (Marbury 7), Sacramento 23 (Richmond 7).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	33	16	8	74	188	141
Florida	28	18	13	69	165	137
New Jersey	29	17	10	68	152	133
N.Y. Rangers	28	24	8	64	200	166
Washington	23	29	6	52	157	166
N.Y. Islanders	19	29	10	48	156	171
Tampa Bay	20	29	7	47	153	177

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	30	19	10	70	170	148
Pittsburgh	31	22	5	67	213	186
Montreal	22	28	11	55	190	215
Ottawa	20	26	12	52	164	170
Hartford	22	28	7	51	161	186
Boston	20	31	7	47	166	204

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	34	22	4	72	179	150
Detroit	27	19	11	65	180	138
St. Louis	28	26	6	62	182	185
Phoenix	27	28	4	58	169	189
Chicago	23	28	8	54	154	155
Toronto	22	35	2	46	170	209

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	36	14	8	80	198	135
Edmonton	28	25	6	62	183	169
Calgary	24	28	7	55	160	170
Vancouver	26	29	2	54	185	197
Anaheim	23	29	6	52	166	177
San Jose	21	31	6	48	151	192
Los Angeles	19	32	8	46	156	205

TUESDAY'S RESULTS

Florida			0	2 0—2
Pittsburgh			1	0 3—4

First Period: P-Mullen 4 (Nedved, Morant) (pp). Second Period: F-Murphy 8 (Dvorak, Svehla) (pp), 3, F-Hough 6 (Fitzgerald, Lowe). Third Period: P-Murray 8 (Johnson, Lemieux) 5, Pittsburgh, Lemieux 40 (Woolley, Holcher) 6, P-Lemieux 41 (Nedved, Tamer) (en). Shots on goal: F- 8-8-12—28. P- 11-10-11—32. Goalies: F-Vanbiesbrouck. P-Wregget.

Calgary	2	1	2	0—5
Buffalo	2	1	2	0—5

First Period: B-Peca 13 (Dawe) 2, C-Allen 10 (Simpson) 3, C-Hoglund 15, 4, B-Audette 21 (Moore, Galley) Second Period: C-Iginla 17 (Hoglund, Titov) (pp), 6, B-Holzinger 16 (Moore, Galley) Third Period: B-Peca 14, (sh), 8, B-Barnaby 15 (Holzinger, Galley) (pp), 9, C-Stern 3 (Skillman, Titov) 10, C-Gavey 7 (Hlushko) Overtime: None. Shots on goal: C- 15-11-14-2—42. B- 9-15-5-3—32. Goalies: C-Kidd, Raison. B-Hasek.

Ottawa	1	2	3	—6
Washington	0	1	0	—1

First Period: O-Charbak 9 (Zhitnik) Second Period: W-Bondra 36, (pp), 2, O-Alfredsson 21 (Bonk, Yashin) 4, O-Cunneyworth 10 (Daigle, Van Allen) Third Period: O-Duchesne 10 (Yashin, McEachern) 5, O-Daigle 22 (Van Allen, Cunneyworth) 6, O-, McEachern 6 (Yashin, Dackell) Shots on goal: O- 12-9-8—29. W- 7-15-10—32. Goalies: O-Tugnutt. W-Carey.

Boston	1	0	1	0—2
Colorado	1	1	0	1—3

First Period: B-T.Sweeney 4 (Oates, Tocchet), 2, C-Keane 9 (Ozolinsh, Kisio) Second Period: C-Ozolinsh 19 (Lemieux, Kamensky) (pp). Third Period: B-Donato 21 (Stumpel, Odgers) Overtime: 5, C-Lemieux 5 (Forsberg, Sakic) (pp). Shots on goal: B- 8-10-6-1—25. C- 12-10-9-5—36. Goalies: B-Rantford. C-Roy.

Los Angeles	0	1	0	—1
Phoenix	1	2	0	—4

First Period: Phoenix, King 3, 2, Phoenix, McKenzie 2 (Mann, Stapleton) 3, Phoenix, McKenzie 3 (Gartner, Stapleton) 4, Phoenix, Gartner 25 (Numminen) Second Period: L.A.-Johnson 1 (Lafayette) 6, Phoenix, McKenzie 4 (Stapleton) 7, Phoenix, Shannon 9 (Finley) Third Period: None. Shots on goal: L.A.- 14-10-4—28. Phoenix 17-12-8—37. Goalies: L.A.-DeFea. Phoenix, Khabibulin.

Toronto	3	2	1	—6
Vancouver	1	1	3	—5

First Period: T-Berezin 17 (Sundin, Modin) 2, T-Gilmour 14, 3, V-Walker 2 (Joseph, Linden) 4, T-Berezin 18 (Sundin, Wolanin) Second Period: V-Tikkanen 10 (Odlick, Walker), 6, T-Zettler 2, 7, T-Gilmour 15 (Demarsey, Zettler) Third Period: T-Clark 18 (Wolanin) 9, V-, Gelinas 16 (Courtnall, Linden) 10, V-Gelinas 17 (Courtnall) 11, V-Mogilny 24 (Linden) (pp). Shots on goal: T-11-11-9—31, V- 9-15-11—35. Goalies: T-Potvin. V-McLean, Hirsch.

Dallas	1	0	0	0—1
San Jose	1	1	1	—3

First Period: S.J.-Guolla 7 (Regnarsson, Gill) 2, D-Broten 4 (Reid, Ludwig) Second Period: S.J.-Granato 16 (Donovan) Third Period: S.J.-Friesen 18, (en). Shots on goal: D- 12-7-11—30. S.J.- 8-5-6—19. Goalies: D-Irbe. S.J.-Hrudey.

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SOCCER

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ENGLISH LEAGUE CUP
SEMIFINAL, 1ST LEG
Leicester 0, Wimbledon 0

TRANSITIONS

BASEBALL
MAJOR LEAGUE BASEBALL
AMERICAN LEAGUE
OAKLAND—Agreed to terms with 3B Scott Brosius on 1-year contract.
NATIONAL LEAGUE
CINCINNATI—Agreed to terms with OF Glenn Murray on 1-year contract.
LOS ANGELES—Agreed to terms with RHP Alvin Brown on 1 one-year contract.
BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
ORLANDO—Fired Brian Hill, coach. Named Richie Adubato interim coach.
FOOTBALL
NATIONAL FOOTBALL LEAGUE
CHICAGO—Acquired QB Rick Mirer from the Seattle Seahawks for their 1997 1st-round draft pick.
DENVER—Agreed to terms with FB Howard Griffith on a four-year contract and TE Luther Morris. Released OL Jason Childs.
GREEN BAY—Signed NT Gilbert Brown.
SAN FRANCISCO—Named Pat Morris tight ends coach.
TAMPA BAY—Re-signed TE Dave Moore.
HOCKEY
NATIONAL HOCKEY LEAGUE
NHL—Suspended Colorado Avalanche LW Brent Severyn for two games without pay for going over the boards to instigate a fight against Phoenix on Feb. 13.
COLORADO—Signed C Peter Forsberg to 3-year contract.
COLLEGE
COAST GUARD—Announced the resignation of Bill Schmitz, football coach, to become football coach at Austin Peay.

SPORTS

The Dream Shot That Saved Knicks

By Clifton Brown
New York Times Service

NEW YORK — It was the kind of shot that children dream about. Your team is down by 2 points. The ball is in your hands for a 3-pointer. The buzzer sounds. And the ball swishes through the net for victory.

That was exactly *how it* happened Tuesday night for John Starks.

His game-winning 3-point jumper at the buzzer lifted New York to an emotional 95-94 home victory over the Phoenix Suns. It was fitting that Starks made the game-winner because he kept the Knicks alive late, scoring 11 of his 15 points in the fourth quarter.

The Knicks were lucky to win, and they even got a break on the final play. With New York trailing by 2, Allan Houston's 3-point attempt was short with four seconds left.

Starks retrieved the long rebound. Danny Manning flew at him. Starks gave Manning a head fake, calmly waited for him to fly by and then shot from behind the 3-point circle an eyelash before *the final buzzer* sounded.

The shot was all net.

Several Suns players argued that Starks had not beaten the buzzer, but Phoenix's coach, Danny Ainge, quickly signaled to them that the shot was good.

"When Allan's shot went up, I saw it was going to come off," Starks said. "I just shot out there, grabbed the ball, and looked down the other end to see how much time I had. There were two seconds left on the clock. I pumped-faked and took my time. I squared up and knocked the shot down."

Ewing and Wesley Person of Phoenix each scored 22 points, and Jason Kidd added 17 points and 13 assists.

Kidd gave Phoenix its last lead with a 20-foot jumper over Larry Johnson with 28.2 seconds to play. Kidd simply took two quick dribbles to gather his feet, then released a sweet shot over Johnson's outstretched arms.

In other games, The Associated Press reported:

Bulls 134, Nuggets 123 Scottie Pippen stole the spotlight from Michael Jordan.

Pippen scored a career-high 47 points and Jordan had 24 as Chicago beat Denver.

"My teammates were looking for me, I was in a good rhythm, nobody was playing much defense and the basket looked real big to me," said Pippen.

"This is like my All-Star break. I'm dishing the ball off and letting the other guys get involved," said Jordan, who had a season-high 12 assists.

The 134 points by Chicago were the most by a National Basketball Association team this season.

Heat 111, 76ers 83 Tim Hardaway scored 29 points as visiting Miami won its 10th consecutive game.

Jamal Mashburn, playing his second game for the Heat since being obtained in a trade with Dallas, scored 15 points.

Jazz 113, Spurs 106 In Salt Lake City, Karl Malone had 37 points, eight assists and seven rebounds as Utah beat San Antonio.

Clippers 87, Mavericks 69 Malik Sealy scored 23 points as Los Angeles beat overhauled and undermanned Dallas for its season-high fifth straight home victory. Michael Finley scored 18 points, and Derek Harper added 17 for the Mavericks, who have lost 12 of 17.

Dallas dressed only eight players for the second time since the nine-player trade Monday with New Jersey.

Kings 95, Timberwolves 84 Mitch Richmond scored 20 points and Mahmoud Abdul-Rauf had eight straight points late in the game as Sacramento beat visiting Minnesota.

NBA Roundup

Steve Wilson/The Associated Press

The Jazz's Shandon Anderson, right, crashing into the Spurs' Carl Herrera on his way to the basket.

Nelson Commits a Huge Turnover

Dallas GM Has Only Helped the Nets and the Celtics

Washington Post Service

WASHINGTON — Imagine that as general manager of a professional sports team, any team, you call one of your counterparts and jokingly ask, "Why don't you trade me five of your best players and in return I'll give you four guys we think are totally expendable?" and to your absolute shock he says, "O.K., let's do it."

What the Nets and Mavericks did wasn't a trade, it was Manhattan for $24. Even worse: It's a talk-radio trade.

Vinny from Passaic: "Aaah, look I'm a Nets fan and I think we oughta go and get somebody who can score 25 a game, a guy who could be the best sixth man in the league, a point guard who's won a couple of NBA championships, a good three-point shooter and a seven-footer *who can throw a well-placed elbow.*"

Talk show host: "And who should the Nets give up, Vinny?"

Vinny: "Let's give 'em Shawn Bradley 'cause he's a stiff, Robert Pack because he's always hurt, Ed O'Bannon 'cause he can't play, and Khalid Reeves 'cause, you know, that way it won't seem too one-sided."

Don Nelson, ladies and gentlemen, has dramatically altered three teams by making the dumbest, stupidest, most idiotic, ill-conceived, moronic, one-sided trade imaginable.

These are the players he unloaded: Jim Jackson, a 26-year-old swingman who averaged 25.7 points per game two years ago and has averaged 20 points per through his career; Sam Cassell, a 27-year-old point guard and key member of the two-time champion Houston Rockets; Chris Gatling, the 6-10 forward who's a virtual lock for the league's sixth man award and who made the all-star team this year; Eric Montross, a serviceable 7-foot center with good work habits whom the Mavericks just got in exchange for a No. 1 draft pick; George McCloud, a late-blooming three-point bomber who has become one of the most reliable long-range threats in the league. Not one of these players is 30 years old and all of them would be welcomed by the two or three best teams in the league.

Vantage Point / **Michael Wilbon**

In return, Nelson got: Shawn Bradley, a huge talent but a man with no discernible work habits. By April every year, Bradley looks ready to break through. By October, it's evident he spent the summer doing nothing; Ed O'Bannon, the nicest kid in the world but a player who has no semblance of a game; Pack, a fine assist man who's been injured three years straight for four teams; Reeves, who has made a career of being included in big trades (Glen Rice for Alonzo Mourning, Kendall Gill for Kenny Anderson). There's not one guy of the four who's even a front-line player. O.K., maybe Pack when he's healthy.

HERE'S HOW the trade is being perceived around the league. "One of the NBA executives going over the contracts wanted to call back to see if I was sane," Nelson told The Associated Press.

Nellie has traded away Mitch Richmond, Penny Hardaway, Chris Webber, Tyrone Hill, Jamal Mashburn, plus all of the above. They got tired of him at Golden State, tired of him real quick in New York, where he didn't last even a half-season.

The player with the longest tenure on the Mavericks is Samaki Walker, a rookie. The best player is Derek Harper, but by the time you read this Nellie may have shipped him to Houston.

Poor Jim Cleamons. If ever a coach didn't deserve this, it's Cleamons, who went from perhaps the most stable franchise in the league in Chicago to this mess in Dallas. The NBA should grant Cleamons a Juwan Howard deal, sending him back to the Bulls.

Though Nelson, to be fair, was once a very worthy coach, he's always been overrated. And now he appears to be turning into former Cleveland owner Ted Stepien, who made so many bad trades in consecutive years the NBA created a rule that said you couldn't trade your No. 1 pick in consecutive years. If two is a straight line, three is a pattern. Nellie, having unloaded Mashburn, Jackson, Gatling, Cassell and McCloud for nothing in two deals, is dangerously close.

And Nelson's deals not only kill his own team, but could dramatically affect *the Nets as well as the Celtics.*

The Nets now have a squad because John Nash and John Calipari managed to swindle Nellie while holding onto Kerry Kittles, Kendall Gill and Jayson Williams. Put Cassell and Gill in the backcourt, with Williams, McCloud and Montross up front and you've got a pretty decent starting five. The bench, featuring Gatling and Kittles, would be one of the best in the league. Perhaps you noticed I haven't mentioned Jimmy Jackson? That's because he could go to Cleveland for Tyrone Hill, giving the Nets another capable big man.

The Celtics also benefit. They not only have the Mavericks' first-round pick, they also have their own first-rounder. That's a lot of balls in the hopper with Tim Duncan's face on them. Since Toronto and Vancouver aren't eligible for the No. 1 pick, it's not farfetched that Boston could have the first two picks or the first and third picks in the draft. How about Duncan and Keith Van Horn on a front line with Antonie Walker?

And there's still 24 hours before the trading deadline.

Purdue Downs Indiana in OT

The Associated Press

Chad Austin nailed a 15-foot fadeaway jumper in the final second of overtime to give Purdue an 89-87 victory over Indiana in Bloomington. Last year, Austin made a game-winning shot with 14 seconds left to beat Indiana.

Austin's shot Tuesday night had a lot riding on it: a loss would have seriously damaged Purdue's already-shaky hopes of making the NCAA tournament. The Boilermakers (14-10, 9-5 Big Ten) will probably need three victories in their last four regular-season games to have a shot at a berth.

Indiana (20-8, 7-7) could find itself uncharacteristically left out of the tournament because six other Big Ten teams have better conference records.

No. 6 Duke 84, No. 8 Clemson 77 In Durham, North Carolina, Trajan Langdon scored a career-high 34 points as the Blue Devils (22-5, 11-3 Atlantic Coast Conference) beat the slumping Tigers (20-6, 8-5) to move a game ahead of No. 4 Wake Forest in the race for the ACC title.

College Basketball

'Put a Foot on Their Throat'

Gossage Returns to Yankees to Teach Closer's Code

By Harvey Araton
New York Times Service

TAMPA, Florida — Perhaps one lazy spring day here at Legends Field, Mariano Rivera, the new Yankee closer, will sit down with Rich (Goose) Gossage for a power chat about power pitching. The Yankees' new instructional aide would be happy to begin with October 1978.

The Yankees were in Boston to play the Red Sox in a one-game playoff for the pennant. Restless in his hotel room, Gossage closed his eyes and imagined how the game might conclude. Him on the mound in Fenway Park. As dreamers often do, he heightened the drama, putting Carl Yastrzemski in the batter's box. This was the way he had drifted off to sleep.

The next afternoon, the tying run at third, the winning run at first, Gossage gripped the ball and here came Yaz.

"Just the way I'd pictured it," he said.

Gossage had been summoned with one out in the seventh, those being the days when closers were no quiche-eating, one-inning wonders.

"I was scattered that whole day," he said. "The pressure was so great that by the time Yaz came up, I was all over the place. Breathing heavy, heart pounding. It was about then that I had this conversation with myself. I said: 'This is what you wanted. The worst that can happen is that you'll be home in Colorado tomorrow. It's not life and death.'

"Then it was like this eerie calm came over me. I was relaxed. I mean, really relaxed, with this amazingly controlled aggression. I looked in at Yaz and actually told myself, 'This is fun.' And when I got him to pop out and the game was over, Thurman Munson told me I had about a foot more on that fastball than any other pitch I'd thrown that day."

"You've got to want to bury them," he said. "Put your foot on their throat."

Passion comes to Gossage's voice as he speaks of saving baseball games. His eyes narrow. A fist clenches. The barrel chest and cheek-to-cheek mustache complete the picture of intimidation. But Gossage says appearances can be deceiving. There were times, mean as he looked, when he was faking. Possessing the veneer and even the firearm is one thing. Having the nerve is another.

Ron Davis, in Gossage's opinion, was a classic example of "a tremendous set-up guy" who did not fit the psychological profile of a closer.

"When he was with us, he would say, 'I could close,'" Gossage said. "I knew he couldn't. Just knew from knowing him, his makeup. He saved some games when he went to Minnesota but that's because you get so many chances, starting the ninth inning with nobody on. He just wasn't cut out for being the guy with no one behind you."

One mistake, you take everyone down. The fear can be mind-altering. Perhaps, Gossage mused, it explains why Atlanta's Mark Wohlers holstered his 98-miles-per-hour fastball and threw a cheesy slider to Jim Leyritz that became the three-run homer, turning around Game 4 and the World Series last fall.

"He made a mistake that no closer ever should," Gossage said. "Got beat on what wasn't his best pitch."

He shook his head.

"Did that once or twice when I was young," he said. "But you've got to learn to deal with failure."

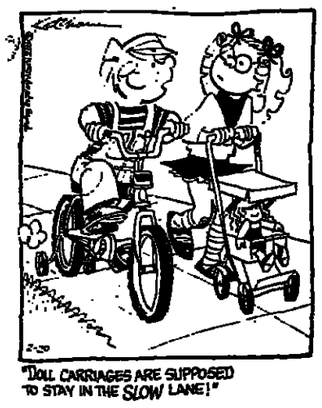
The other day, Joe Torre mused how he would miss the sight of John Wetteland on the dugout steps before a game, headed toward the bullpen, shoulders hunched, exuding attitude. Torre would say, "See you in three hours."

Wetteland would just nod, like John Wayne.

Jim Mone/The Associated Press

SPECTATOR IN THE OUTFIELD — Kirby Puckett, who was forced to retire last summer by eye problems, watching a Minnesota workout at Fort Myers, Florida.

DENNIS THE MENACE



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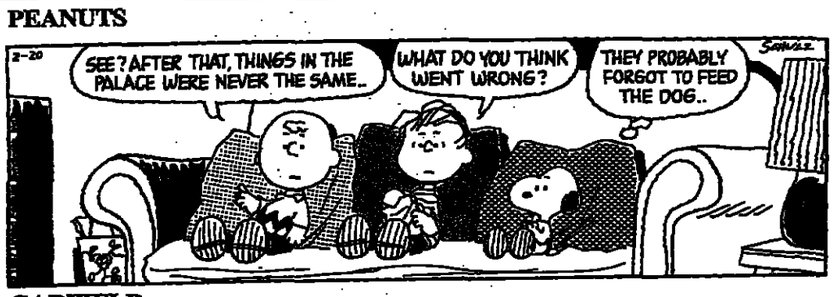

CALVIN AND HOBBES

GARFIELD

WIZARD of ID

BEETLE BAILEY

NON SEQUITUR

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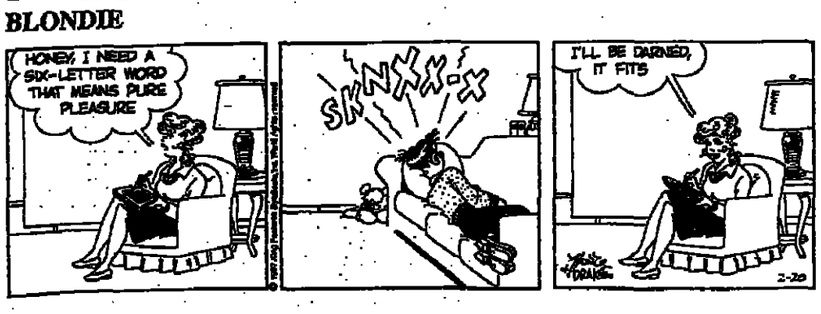

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LOHLE

PHEES

ENTABE

VOCLEN

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: A

(Answers tomorrow)

Yesterday's Jumbles: FENCE EMERY ICEBOX ALBINO
Answer: The detectives wanted the crook to — COME CLEAN

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ART BUCHWALD

What About Names?

WASHINGTON — At this time what the Clinton administration lacks is a Charles Colson, an H.R. Haldeman, or a John Ehrlichman. We are aware that all kinds of mischief has been committed in the Clinton White House but we don't have the names of those who did it.

Buchwald

For example, we know that someone in the White House said to an arms dealer from China, "Come on by for breakfast with the president," or to a Philippino businessman, "The president would love to hear your story as he is just about to put his trade policy on the Internet."

□

We know that somebody uttered these words but we don't know if it was an aide, a fund-raiser or the butler. There were hundreds of breakfasts, golf games and sleepovers with the first family — all of them had to be authorized.

Many people can't help wondering who said to a small group of bankers, over a plate of corned-beef hash at the White House, "If you don't tell us what you want, how will we ever find out what would really make you happy?"

The American people have a right to know who interceded with their elected leader when it came to tapping the big donors for money.

Somebody had to say to a generous benefactor, "Would you like a smoking or a nonsmoking Lincoln Bedroom for the night?" Maybe it's wrong to sell out the Executive Mansion, but you need to win an election to be able to let the high rollers use the bowling alley.

Don't misunderstand me. I don't want to send anyone to jail. I just want names to go with the faces of those in charge of granting favors to big donors to the Democratic National Committee.

The country slept better at night knowing that Colson, Haldeman, Ehrlichman and all the other Watergate players were responsible for corrupting the Nixon administration — but so far, the public doesn't have any Clinton names.

□

Rumor has it that the DNC is trying to find a scapegoat — someone they can blame for all the money scams the party has resorted to. But I can't wait that long. I want to find out today who sold the White House.

I am also curious to know what the going rate is for having a bagel with President Clinton. If I don't get a name soon I'll start to think that the president himself came up with "Breakfast in the Club" idea, and that would be a very sad thought to have.

Signs of Ancient Ireland

Reuters

DUBLIN — A wooden canoe, found in the mud flats of the Shannon estuary in the west of Ireland, may be one of the oldest signs of a human settlement in the country. Carbon dating shows that it dates from 4,800 B.C. and is about 2,000 years older than other canoes found in Ireland, said Ronan O'Flaherty, manager of the discovery program.

Lights! Camera! Philosophy! Birth of a Turkey

International Herald Tribune

PARIS — Bernard-Henri Levy has lost his shirt. Instead of the vanilla (washday white for TV appearances) long-collared and deeply unbuttoned shirt that has been his trademark since he was acclaimed a *nouveau philosophe*, or new philosopher, on the television program "Apostrophes" in 1977, he is in all the current French magazines bronzed and bare-chested, only a slight roll around his middle suggesting long hours spent in thought at the Cafe de Flore.

The occasion is the release last week of his first feature film, "Le Jour et La Nuit," starring Levy's wife, the sculptural actress

MARY BLUME

Arielle Dombasle, Alain Delon and Lauren Bacall as a character with the premonitory name of Mrs. Blench.

The film is set and was shot in Mexico, the reason for Levy's newly rugged he-man appearance, and because the critics were banned from pre-opening screenings no one much knew what it was about. (Once allowed to see the film they were none the wiser despite such lines as "the Mexican sun is pitiless," references to Faust, and what might be the picture's epigraph: "I am making an experiment, I suppose. But I don't know what it is.")

Instead of reviews the press, led by the satirical weekly Le Canard Enchaine and followed by the usually stately Le Monde, has amused itself by a taxonomy of the magazine covers, interviews and TV time garnered by the film: cover stories on Delon ("The Delon Enigma," in Le Point, "Tender and Rebellious: The Private Delon" in Figaro magazine), interviews in every form of publication with the possible exception of those devoted to cyberspace, extensive TV coverage including Delon as guest commentator on the respected weekly news review, "Sept sur Sept," a cover photo in Paris-Match of Dombasle and Delon and, inside, six pages of Levy and Delon exchanging compliments. Levy on Delon: "a history of cinema on his own . . . one of the most mysterious people of our times"; Delon on BHL, as he is widely known: "He is a great strategist."

When Delon, whose performance on screen and in the press has been commendably courteous, asks Levy can we reveal the plot, the master strategist smoothly replies, "No, it's too soon. Let people discover it for themselves."

Bernard-Henri Levy during the filming of "Le Jour et La Nuit."

The reason for all the typically Parisian private gossip and public amusement is that BHL, who is by general consensus and by his own admission a creature of the media ("I was never tense and trembling on television, like so many French intellectuals"), has with "Le Jour et La Nuit" proved himself gifted to excess in his ability to *renvoyer l'ascenseur*, literally to send back down the elevator — that is, to profitably return favors, a favored Parisian skill.

With a film opening the same week as Woody Allen's "Everyone Says I Love You," even BHL must have know there was trouble ahead.

So he got a little help from his friends, as detailed in Le Canard and Le Monde. According to Le Canard, Levy, indignant at the poor reviews received by his recent play, decided to re-invent a better behaved press. The means: Do not invite critics to screenings but do invite publishers, newspaper and magazine editor chums, and other people of influence.

As if by magic, the media extruded dozens of features in which the unseen film was described by its participants and not by its critics.

The magazine Le Point, as Le Monde points out, gave the film eight pages and described it as ambitious, romantic and seductive. BHL writes a weekly column for Le Point and co-wrote the film's scenario with one of its executives. And, says the Canard, Le Point's film critic wrote the press kit comparing Levy to Huston and Visconti and given to the bigwigs who were invited to the private screenings.

Levy himself wrote about making the film in the weekly L'Express. His chum the producer Daniel Toscan du Plantier praised it in Figaro magazine and, along with former Minister of Culture Jack Lang, says the Canard, got the film accepted, out of competition, by the Berlin Festival although the festival's director found it so unintentionally funny that tears ran down his cheeks. Le Nouvel Observateur may have been banned from screenings but one of its columnists, Francoise Giroud, a friend and author with Levy of a book about love, had already visited the set in Mexico and described a Delon "subjugated by BHL, the intellectual, the writer who directs as if that were his profession."

As for the vast coverage in Paris-Match, the Canard recalls that when the magazine's publisher was widely criticized and fined by a court for printing photographs of Francois Mitterrand on his deathbed, BHL wrote in his Point column, "The verdict is stupid because the photographs are very beautiful."

After a week of distinctly Parisian fun, reality finally struck as it will and the film opened. At this point, says Michele Stouvenot in Le Journal du Dimanche, what had been a Parisian event became a nonevent, a mere turkey. The critics finally had to see it. Le Monde found it at once excessive and predictable and sensibly latched on to one of the Levy's metaphorical and strivingly original visual images, the three hot-air balloons that move across the Mexican landscape. A hot-air balloon contains — hot air.

The film's success will shortly be judged by box office earnings. The biggest pros in the business, the cashiers and ticket tellers, did not seem too sanguine. Asked how long the film lasts a cashier replied, "One hour and 50 minutes." "Too long," said the ticket taker with a cheeky grin. Too late, the ticket had been bought, but he was absolutely right.

Susan Walsh/The Associated Press

CHIC — Mel Gibson wearing the "Cross Your Braveheart Bra" while being feted as Man of the Year by Harvard's Hasty Pudding club.

PEOPLE

THE late U.S. ambassador **Pamela Harriman**, in a will she signed only one month before her death, left the bulk of her estate to be divided equally between her only son, **Winston S. Churchill**, and his estranged wife, **Mary Churchill**. The estate includes property, paintings, jewelry and clothing. Lawyers and sources close to Harriman, who died Feb. 5, were reluctant to put a value on the estate. Two years ago, following a bruising legal battle with the heirs of her late husband, the diplomat and financier **W. Averell Harriman**, her liquid assets were estimated to be about $10 million — a far cry from the $100 million estate he had left her. Averell Harriman's descendants are not mentioned directly in the will, but an obligation to pay a trust $2 million is. That trust is probably for the benefit of the heirs, as are proceeds of a life insurance policy of undetermined value, according to sources familiar with the will. Other gifts in Harriman's will included $250,000 to each of her four grandchildren; $100,000 to her brother, **Lord Edward Digby**; $20,000 each to her two gardeners, her cook and her chauffeur; and $10,000 to her butler.

The person most notably left out of the will is Harriman's longtime assistant, **Janet Howard**, who had worked for her in Washington and Paris. "If the gardener and the cook are named in the will and Janet Howard is not, that's a real surprise," said **Christopher Ogden**, who wrote a book on Harriman.

□

A Harlem librarian is seeing red over "Primary Colors," the Joe Klein book she contends has people thinking she slept with **President Bill Clinton**. "My acquaintances do think I had an affair," **Daria Carter-Clark**, who is suing Klein for $100 million, told The New York Times. "It's ridiculous. It's indecent. It's ludicrous." She sued Klein and his publisher, Random House, in December, but at the time she would not comment beyond the court papers. Carter-Clark said the first chapter of "Primary Colors" — in which a married Southern governor running for president sleeps with a Harlem librarian — echoes a 1991 visit that Clinton, then a candidate, made to her library. Carter-Clark said she and Clinton did have "a very private conversation" away from students and reporters who covered the visit, including Klein, a former Newsweek columnist who now writes for The New Yorker. Robert Sack, lawyer for Klein and Random House, told the Times that any resemblance between the librarian in the book and Carter-Clark was unintended.

□

Al Pacino, who used the Globe Theatre in London, the new replica of Shakespeare's original theater, as a set for his documentary "Looking for Richard," will continue that association. He has been named a member of its artistic directorate, which advises **Mark Rylance**, the theater's artistic director. "Al Pacino came down to the Globe to film 'Looking for Richard' in 1994," said a spokeswoman for the Globe, "and he went to the Globe's production of 'The Two Gentlemen of Verona' at the New Victory Theater on 42d Street in January when he had a long chat with Mark Rylance. He was very keen to get involved."

□

Priyanka Gandhi, the 25-year-old daughter, granddaughter and great-granddaughter of prime ministers of India, was married in New Delhi to **Robert Vadra**, 27, an exporter. The traditional two-hour Hindu wedding ceremony was held at the home of **Sonia Gandhi**, the bride's mother. There was heavy security. The bride's father, **Rajiv Gandhi**, was assassinated in 1991 during an election campaign. Her grandmother, **Indira Gandhi**, was assassinated in 1984. Her great-grandfather **Jawaharlal Nehru** died in 1964.

□

The movie "Evita" premiered in Argentina to huge fanfare but was denounced by critics as historically inaccurate and for sullying the image of the nation's most popular icon. As the director **Alan Parker** watched his film at a Buenos Aires cinema, the protests of older followers of **Eva Peron** outside were drowned out by cheers of young fans of **Madonna**, who portrays the former first lady. The hype surrounding the premiere, and a government recommendation to boycott "Evita," appeared likely to fuel interest in the film which opens to the public Thursday.

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